



BOULT • CUMMINGS
CONNERS • BERRY PLC

RECEIVED

Henry Walker
(615) 252-2363
Fax (615) 252-6363
Email hwalker@boultcummings.com

T.R.A. DOCKET ROOM

November 19, 2004

Hon Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

CO ID # 128925
Re: *Application of BALSAMWEST FIBERNET, LLC For a Certificate of
Public Convenience and Necessity as a Competing Telecommunications
Service Provider To Provide Competitive Facilities-Based and Resold
Local Exchange and Interexchange Telecommunications Services
Throughout the State of Tennessee*

Docket No. 0400407

Dear Chairman Miller:

Enclosed please find the original and fourteen (14) copies of the Application of BalsamWest FiberNET, LLC for a Certificate of Public Convenience and Necessity and a check in the amount of \$50.00. Please note that *Exhibit D* to the application is **Confidential and is being filed under seal.**

This Application is being served on each of the Incumbent Local Exchange Service Providers certificated in Tennessee.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By *Henry Walker*
Henry Walker KG

HW/kg

1007177 v1
105754-001 11/19/2004

1007177

LAW OFFICES
414 UNION STREET • SUITE 1600 • PO BOX 198062 • NASHVILLE • TN • 37219
TELEPHONE 615 244 2582 FACSIMILE 615 252 6380 www.boultcummings.com

1

1

)

)

)

)

)

)

)

)

)

)

Table 1 Summary of the results of the regression analysis for the dependent variable "perceived organizational support"

5

11

IV. DISCUSSION AND CONCLUSIONS

A. CORPORATE INFORMATION

37 College Drive
Sylva, NC 28779
Telephone: (828) 586-6141
Facsimile: (828) 586-3129

2. BalsamWest is a Limited Liability Corporation, formed under the laws of North Carolina. A copy of BalsamWest's Certificate of Formation is attached hereto as ***Exhibit A***. A copy of BalsamWest's Certificate to Transact Business within the State of Tennessee is attached as ***Exhibit B***. The name and address of BalsamWest's registered agent in Tennessee for service of process will be:

Corporation Service Company
2908 Poston Avenue
Nashville, TN 37203

B. MEMBERS OF THE LLC

The following is a list of BalsamWest's Members:

The Eastern Band of Cherokee Indians – 50%

Drake Enterprises, LTD. – 50%

The Board of Directors and Management Staff consist of the following people:

David Hubbs	Chairman of the Board
Tim Hubbs	Board Member
Brandon Stephens	Board Member
Leeann Bridges McHattie	Board Member
Dr. Cecil L. Groves	Board Member
John A. Short	General Manager and Chief Operating Officer
Sherry McCuller	Chief Financial Officer
Neil Quigley	Chief Technology Officer

3. The full business experience of the Board of Directors and Management Staff is set forth in detail in ***Exhibit C***. All of the above-referenced individuals may be reached at the following address:

37 College Dr.
Sylva, NC 28779

4. While BalsamWest does not maintain corporate offices in Tennessee at this time, BalsamWest may open offices in Tennessee in the future.

C. REGULATORY CONTACT INFORMATION

5. All correspondence, notices, orders and inquiries regarding the processing of this Application should be addressed to:

Henry Walker
Boult, Cummings, Connors & Berry
414 Union Street, Suite 1600
Nashville, TN 37219
Telephone: (615) 252-2363
Facsimile: (615) 252-6363

Katherine E. Barker
The KDW Group, LLC
1200 19th Street, NW, Suite 500
Washington, DC 20036
Telephone: (202) 955-9669
Facsimile: (202) 955-9792

6. Copies of all correspondence, notices, orders and inquiries relating to this application, as well as in the future, should be sent to:

Sherry McCuller
CFO
BalsamWest FiberNET, LLC
37 College Drive
Sylva, NC 28779

D. BALSAMWEST AFFILIATES AND CERTIFICATIONS

7. As mentioned above, BalsamWest's two members are the Eastern Band of Cherokee Indians and Drake Enterprises, LTD. There are no affiliated companies offering telecommunications services, however Drake Software, Inc. is the parent company of Dnet Services, Inc., an internet service provider.

8. As of the date of filing of this Application, BalsamWest is authorized to provide interexchange services within the State of North Carolina.

9. In addition to Tennessee, BalsamWest has a pending application to provide facilities-based and resold local exchange services in North Carolina and a pending application to provide facilities-based and resold local and interexchange services in the State of Georgia.

II. MANAGERIAL, TECHNICAL AND FINANCIAL QUALIFICATIONS

10. BalsamWest is well qualified managerially, technically and financially to provide the telecommunications services for which authority is requested in this Application. The Company's management team includes individuals with substantive experience in successfully developing and operating telecommunications businesses. BalsamWest has access to significant capital and substantial technical and managerial expertise.

11. In support of this Application, BalsamWest submits the following information to demonstrate that it has sufficient managerial and technological telecommunications experience and expertise, as well as the financial stability adequate to ensure its continued provision of quality local exchange telecommunications services within Tennessee.

A. MANAGERIAL ABILITY

12. BalsamWest has adequate internal managerial resources to support its Tennessee operations. This expertise in the telecommunications industry makes BalsamWest's management team well qualified to construct, operate and manage its local exchange network in Tennessee. Specific details of the business and technical experience of BalsamWest's officers and management personnel are appended hereto as *Exhibit C*.

B. TECHNICAL QUALIFICATIONS

13. BalsamWest is technically qualified to provide its proposed services in Tennessee. As is evident from the information contained in *Exhibit C*, BalsamWest is managed by persons with substantial technical expertise in designing, constructing and operating telecommunications networks. This wealth of experience will enable BalsamWest to provide its local exchange customers with advanced, state-of-the-art technology, for its telecommunications services.

C. FINANCIAL QUALIFICATIONS

14. Specifically, as demonstrated in Cash Flow Statements, Balance Sheet and Income Statement projections, as well as the financial narrative of BalsamWest, appended as part of *Exhibit D, filed under seal*, BalsamWest has access to ample capital to fund the construction and operation of BalsamWest's telecommunications network in Tennessee, and to meet any lease and ownership obligations associated with its provision of local exchange telecommunications services in Tennessee.

15. BalsamWest is a privately held company and, thus, does not issue annual reports or submit any financial filings with the Securities and Exchange Commission.

D. PROPOSED SERVICES AND SERVICE AREAS TO BE OFFERED BY APPLICANT IN TENNESSEE

16. By this Application, BalsamWest seeks the authority from the TRA to provide full scale telecommunications and data services. BalsamWest intends initially to operate as a competitive local exchange service provider on a facilities-based and resale basis providing data-only transport and carrier's carrier services. However, BalsamWest seeks authority to provide all forms of switched and dedicated telecommunications services, including but not limited to the following local services:

- ***“Plain Old Telephone Service” -- originating and terminating local calls;***
- ***Access Service -- originating and terminating traffic between a customer premise and an IXC POP;***
- ***Private Line;***
- ***Carrier’s Carrier;***
- ***Data transmission service; and***
- ***Internet services.***

17. With respect to the geographic coverage area for its intended services, BalsamWest requests authority to operate as a competitive local exchange carrier in all areas within the State of Tennessee. BalsamWest anticipates serving primarily large enterprise customers in Polk County at this time.

E. DESCRIPTION OF BALSAMWEST’S NETWORK

18. BalsamWest plans to deploy fiber to provide its data transport and carrier’s carrier services. The Company also plans to collocate its equipment in the Incumbent Local Exchange Carrier (“ILEC”) central offices and/or carrier hotels.

III. LOCAL EXCHANGE SERVICE TARIFFS

19. Applicant’s proposed initial tariffs are attached hereto as ***Exhibit E***.

IV. REPAIR AND MAINTENANCE/CUSTOMER SERVICE INFORMATION

20. BalsamWest will bill its customers directly, using industry-accepted methods of billing and collection.

21. BalsamWest will maintain the following toll-free customer service telephone number: 1-888-225-7266

22. BalsamWest’s customer service representatives will be able to assist customers with billing questions between the hours of 8:00 AM to 5:00 PM, Monday through Friday at 1-

888-225-7266. When a call is received, a service representative will retrieve customer account information and be prepared to address specific billing inquiries including questions about the customer's overall monthly bill, specific rates and charges, and the mechanics of the company's special discount programs. Service representatives are also available to assist other customers with questions about the company and its product offerings.

23. BalsamWest strives to work with customers to resolve a complaint in a satisfactory manner. When a billing adjustment is needed, the service representative will process the adjustment at the time of inquiry. Each representative has the authority to adjust a customer's bill up to a specified dollar amount, any adjustments which exceed this amount are handled by a department supervisor. When an adjustment is made, the customer will see the credit within sixty (60) days of issuance.

24. Alternatively, customers will be able to communicate billing questions or concerns to BalsamWest customer service representatives in writing.

25. Written inquiries from regulatory agencies and others are handled by the Regulatory Affairs Department. When a written complaint is received, it is promptly reviewed and researched. In some instances, a Regulatory Analyst may contact the customer to ascertain more information about a particular grievance. A letter addressing the problem and documenting the resolution is then forwarded to the agency, customer or complainant as appropriate.

26. For service and maintenance issues, customers will be able to contact BalsamWest's customer services 24 hours a day, seven (7) days a week, by calling toll-free at 1-888-225-7266.

27. All questions regarding the Company's Tennessee operations may be addressed to:

John A. Short
General Manager
BALSAMWEST FIBERNET, LLC
37 College Drive
Sylva, NC 28779
Telephone: (828) 586-6141
Facsimile: (828) 586-3129

V. SMALL AND MINORITY-OWNED BUSINESS PARTICIPATION PLAN

28. Applicant's Small and Minority-Owned Telecommunications Business Participation Plan is appended hereto as *Exhibit F*.

VI. TOLL DIALING PARITY PLAN

29. Applicant does not intend to offer Voice Grade Service initially. However, if in the future, the Applicant offers Voice Grade Service, it will submit its Toll Dialing Parity Plan, consistent with FCC Docket 96-98.

VII. NUMBERING ISSUES

30. BalsamWest, at this time, does not plan to provision numbers on its own behalf, as BalsamWest will only be providing data transport and carrier's carrier services. If the Company begins to offer voice services, it will receive its numbers from the ILEC. If, after provisioning numbers from the ILEC, the Company does provision its own numbers in the future, it will comply with all numbering conversation efforts promulgated by the TRA, including number pooling and 80% utilization of an NXX prior to ordering additional numbers.

VIII. TENNESSEE SPECIFIC OPERATIONAL ISSUES

31. BalsamWest's billing system will allow BalsamWest to bill the calling plan in accordance with TCA § 65-21-114, if BalsamWest offers voice services in the future.

32. BalsamWest is aware of the Tennessee County-Wide Calling database maintained by BellSouth, and will utilize this service, if BalsamWest offers voice services in the future.

33. BalsamWest is aware of the local calling areas provided by the Incumbent Local Exchange Carriers in our proposed service areas, should BalsamWest offer voice services in the future.

34. BalsamWest is aware of the metro area calling database maintained by BellSouth, and BalsamWest will utilize this service, if BalsamWest offers voice services in the future.

35. The person responsible for working with the Tennessee Regulatory Authority for resolving customer complaints will be:

Sherry McCuller
Chief Financial Officer
BALSAMWEST FIBERNET, LLC
37 College Rd.
Sylva, NC 28779
Telephone: (828) 586-6141
Facsimile: (828) 586-3129

36. The Company does not plan to telemarket its services directly to the public.

IX. MISCELLANEOUS

37. In accordance with Section VIII of the TRA's *Check List for Competing Telecommunications Service Provider Applicants*, BalsamWest provides the following information:

- (a) Pre-filed testimony of John A. Short is appended hereto as ***Exhibit G***.
- (b) As discussed above, Applicant will file tariffs subsequent to approval of this application and prior to commencement of operations in the State of Tennessee.
- (c) The Applicant has obtained certification to provide interexchange services in North Carolina. Applicant has an application pending to provide local exchange services in North Carolina. In addition, Applicant has applications pending to provide local exchange and interexchange services in Georgia.

- (d) The Applicant has not been involved in a pertinent merger or acquisition.
- (e) The Applicant may require customer deposits
- (f) Applicant has not had any complaints filed against it with any federal or state regulatory agency.
- (g) BalsamWest plans to offer its transport and data telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines. However, BalsamWest does not intend to offer Voice Grade Services, and will offer transport and data services only.

X. STATEMENT OF COMPLIANCE

38. BalsamWest will comply with and abide by all applicable statutes, including T.C.A. § 65-4-201, as well as all orders, rules, and regulations entered and/or adopted by the TRA. BalsamWest understands the penalties for non-compliance and all fees associated with providing service.

39. The Applicant will file, concurrent with this Application (*Exhibit H*), a bond in the amount of \$20,000 as required by TCA § 65-4-125.

XI. CERTIFICATE OF SERVICE

40. Applicant has served notice of the Application upon ILECs certificated in Tennessee, and a copy of the Certificate of Service is attached hereto as *Exhibit I*.

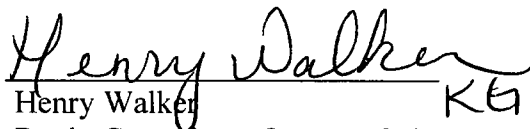
XII. CONCLUSION

41. Approval of this Application and BalsamWest's proposed tariff will serve the public interest and result in direct benefits to local service customers in Tennessee. First, BalsamWest's provision of the services described above will expand the availability of high quality affordable telecommunications services to Tennessee consumers. Furthermore, the

Company's proposed operations will increase the demand for and usage of the existing state-of-the-art networks of its underlying carriers as well its own facilities, thereby promoting continued development of advanced telecommunications infrastructure to serve the needs of Tennessee consumers. As discussed above, BalsamWest's entry into the facilities-based local exchange services market will focus upon Tennessee enterprise customers and carriers who need transport services.

42. WHEREFORE, BalsamWest requests that the TRA approve its application for a Certificate of Public Convenience and Necessity as a competing telecommunications service provider to provide competitive facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee.

Respectfully submitted,

By: 
Henry Walker
Boult, Cummings, Conners & Berry
414 Union Street, Suite 1600
Nashville, TN 37219
Telephone: (615) 252-2363

EXHIBITS

Exhibit A	Certificate of Formation
Exhibit B	Certificate of Authority to Transact Business in Tennessee
Exhibit C	Managerial Qualifications
Exhibit D	Financial Statements and Projections – <i>Confidential and Proprietary - Filed Under Seal</i>
Exhibit E	Proposed Initial Tariffs
Exhibit F	Small and Minority-Owned Business Participation Plan
Exhibit G	Pre-filed testimony of John A. Short
Exhibit H	Surety Bond
Exhibit I	Certificate of Service

EXHIBIT A

CERTIFICATE OF FORMATION

ARTICLES OF ORGANIZATION

BalsamWest FiberNET Limited Liability Company

Pursuant to §57C-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company

- 1 The name of the limited liability company is BalsamWest FiberNET, L.L.C
- 2 There is no limit on the duration of the limited liability company
- 3 The name and address of each person executing these articles of organization is as follows:
(State whether each person is executing these articles of organization in the capacity of a member, organizer or both)

Laura Pennington, organizer
703 Skyland Drive
Sylva, NC 28779

4. The street address and county of the initial registered office of the limited liability company is:

Number and Street: 703 Skyland Drive

City, State, Zip Code: Sylva, NC 28779 County: Jackson

- 5 The mailing address, *if different from the street address*, of the initial registered office is

P.O. Box 11, Webster, NC 28788

6. The name of the initial registered agent is. Laura Pennington

- 7 Principal office information (Select either a or b)

- a The limited liability company has a principal office

The street address and county of the principal office of the limited liability company is

Number and Street,

City, State, Zip Code _____ County _____

The mailing address, *if different from the street address*, of the principal office of the corporation is

- ☒ b The limited liability company does not have a principal office

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

APPLICATION FOR
CERTIFICATE OF AUTHORITY
(Limited Liability Company)

RECEIVED
STATE OF TENNESSEE

2004 AUG 10 10:40:18
For Office Use Only

RILEY DARNELL
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee.

Pursuant to the provisions of § 48-246-301 of the Tennessee Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth

1 The name of the Limited Liability Company is BalsamWest FiberNET, LLC
If different, the name under which the certificate of authority is to be obtained is N/A

NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of § 48-207-101 of the Tennessee Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to § 48-207-101(d).

2 The state or country under whose law it is formed is North Carolina

3 The date of its organization is 7/11/03 (must be month, day and year)

4 The complete street address (including zip code) of its principal office is
37 College Dr Sylva, NC 28779
Street City/State Zip Code

5 The complete street address (including the county and the zip code) of its registered office in Tennessee
2908 Poston Avenue, Nashville, TN 37203
Street City/State County Zip Code

The name of its registered agent at that office is Corporation Service Company

6 The number of members at the date of filing 2

7. If the limited liability company commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) N/A

NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.

7-31-2004
Signature Date

General Manager
Signer's Capacity

BalsamWest FiberNET, LLC
Name of Limited Liability Company

Signature
John A. Short
Name (typed or printed)

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

APPLICATION FOR
CERTIFICATE OF AUTHORITY
(Limited Liability Company)

RECEIVED
STATE OF TENNESSEE
2004 AUG 10 AM 10:18
For Office Use Only

RILEY DARNELL
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee

Pursuant to the provisions of § 48-246-301 of the Tennessee Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth

1 The name of the Limited Liability Company is BalsamWest FiberNET, LLC

If different, the name under which the certificate of authority is to be obtained is N/A

NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of § 48-207-101 of the Tennessee Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to § 48-207-101(d).

2 The state or country under whose law it is formed is North Carolina

3 The date of its organization is 7/11/03 (must be month, day and year)

4 The complete street address (including zip code) of its principal office is

37 College Dr. Sylva, NC 28779

Street City/State Zip Code

5 The complete street address (including the county and the zip code) of its registered office in Tennessee:

2908 Poston Avenue, Nashville, TN 37203

Street City/State County Zip Code

The name of its registered agent at that office is Corporation Service Company

6 The number of members at the date of filing 2

7. If the limited liability company commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) N/A

NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.

7-31-2004
Signature Date

General Manager
Signer's Capacity

BalsamWest FiberNET, LLC
Name of Limited Liability Company

[Signature]
Signature

John A. Short

Name (typed or printed)

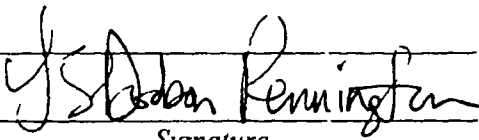
8 Check one of the following

☒ (i) **Member-managed LLC**. all members by virtue of their status as members shall be managers of this limited liability company

☐ (ii) **Manager-managed LLC**. except as provided by N.C.G.S. Section 57C-3-20(a), the members of this limited liability company shall not be managers by virtue of their status as members

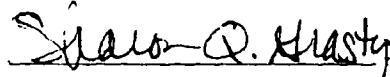
9 Any other provisions which the limited liability company elects to include are attached.

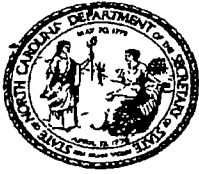
10 These articles will be effective upon filing.


Signature

Laura Pennington, organizer
Type or Print Name and Title

Sworn to and subscribed before me, this
the 2nd day of July, 2003

 Notary Public
My Commission Expires 6/9/2007



LIMITED LIABILITY COMPANY ANNUAL REPORT

SOSID: 0682702
Date Filed: 5/3/2004 1:01 PM
Elaine F. Marshall
North Carolina Secretary of State

NAME OF LIMITED LIABILITY COMPANY *Balsam West Fibernet, L.L.C*

STATE OF INCORPORATION *NC*

SECRETARY OF STATE I.L.C. ID NUMBER

0682702

FEDERAL EMPLOYER ID NUMBER *20-0685484*

NATURE OF BUSINESS *Fiber Optic Network Deployment and Leasing, Sales of Wholesale Transport Services*

REGISTERED AGENT *Balsamwest Fibernet, L.L.C*

REGISTERED OFFICE MAILING ADDRESS *P O Box 11
Webster, NC 28788*

REGISTERED OFFICE STREET ADDRESS *37 College Drive
Sylva, NC 28779 County Jackson*

SIGNATURE OF THE NEW REGISTERED AGENT

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

PRINCIPAL OFFICE TELEPHONE NUMBER *828-586-6141*

PRINCIPAL OFFICE MAILING ADDRESS *P O Box 11
Webster, NC 28788*

PRINCIPAL OFFICE STREET ADDRESS *37 College Drive
Sylva, NC 28779*

MANAGERS/MEMBERS/ORGANIZERS

Ms Sherry C McCuller
Title *Cfo*
37 College Drive
Webster, NC 28788

Mr John Alan Short
Title *General Manager*
37 College Drive
Sylva, NC 28779

Mr T Brandon Stephens
Title *Member*
c/o Eastern Band of Cherokees
Tribal Planning and Grants Office
P O Box 455
Cherokee, NC 28719

Mr David M Hubbs
Title *Member*
c/o Dnet Internet Services
208 East Palmer Street
Franklin, NC 28734

CERTIFICATION OF ANNUAL REPORT MUST BE COMPLETED BY ALL LIMITED LIABILITY COMPANIES

FORM MUST BE SIGNED BY A MANAGER/MEMBER

DATE

Manager Sherry C McCuller
TYPE OR PRINT NAME

Manager/Member

TYPE OR PRINT TITLE

ANNUAL REPORT FEE \$200 00 MAIL TO Secretary of State • Corporations Division • Post Office Box 29525 • Raleigh, NC 27626-0525



EXHIBIT B

CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN TENNESSEE

Secretary of State

Division of Business Services

312 Eighth Avenue North

6th Floor, William R. Snodgrass Tower

Nashville, Tennessee 37243

DATE: 08/10/04

REQUEST NUMBER: 5206-1082

TELEPHONE CONTACT: (615) 741-2286

FILE DATE/TIME: 08/10/04 1118

EFFECTIVE DATE/TIME: 08/10/04 1000

CONTROL NUMBER: 0475302

TO:
CSC
2711 CENTERVILLE RD.
STE 400
WILMINGTON, DE 19808

RE:
BALSAMWEST FIBERNET, LLC
APPLICATION FOR CERTIFICATE OF AUTHORITY -
LIMITED LIABILITY COMPANY

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED LIMITED LIABILITY COMPANY
CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED
ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF
STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN
ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE
WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED
LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING
ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO
MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY
COMPANY TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE
REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
LIMITED LIABILITY COMPANY

ON DATE: 08/10/04

FROM:
CSC (2711 CENTERVILLE RD)
2711 CENTERVILLE RD.
SUITE 400
WILMINGTON, DE 19808-0000

RECEIVED: FEES \$300.00 \$0.00
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00003568113
ACCOUNT NUMBER: 00250881



SS-4458

Riley C Darnell

RILEY C DARNELL
SECRETARY OF STATE



State of North Carolina
Department of The Secretary of State

CERTIFICATE OF EXISTENCE
(Limited Liability Company)

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that

BALSAM WEST FIBERNET, L.L.C.

is a limited liability company duly formed under the laws of the State of North Carolina, having been formed on the 11th day of July, 2003, with its period of duration being Perpetual.

I FURTHER certify that the said limited liability company's articles of organization are not suspended for failure to comply with the Revenue Act of the State of North Carolina; that the said limited liability company is not administratively dissolved for failure to comply with the provisions of the North Carolina Limited Liability Company Act; and that the said limited liability company has not filed articles of dissolution as of this date of this certificate



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 5th day of August, 2004

Elaine F. Marshall
Secretary of State

EXHIBIT C

MANAGERIAL QUALIFICATIONS

John A. Short – General Manager -- Mr. Short has approximately ten years' experience in the telecommunications industry. During his time at BalsamWest, he has overseen and managed all aspects of corporate operations and network planning, including an expansion of the company's fiber optic network by 45%. Prior to joining BalsamWest FiberNET in 2003, Mr. Short worked for Progress Telecommunications Corporation, where he opened and managed a sales office and was responsible for selling Progress' first dedicated wireless backhaul transport ring and pre-provisioned bandwidth product. Mr. Short also developed an Enterprise Sales Strategy Plan and Group in an effort to expand revenue growth. He has also served as a Senior Telecom Analyst for Florida Power Corp, an Engineer for Sprint Cellular, and an Account Executive for BellSouth Mobility Corp. and AT&T. Before entering the private sector, Mr. Short served as the Airborne Communications Platoon Leader/Company Executive Officer at Fort Bragg, North Carolina. He holds a Bachelor of Science degree from Florida Southern College.

Sherry C. McCuller – Chief Financial Officer – Ms. McCuller has extensive experience in the financial and technology sectors. From 1974 – 1994, Ms. McCuller was with Bowles, Hollowell Conner and Co., a regional investment bank in Charlotte, NC founded by Erskine Bowles in 1974. Bowles Hollowell was engaged in mergers, acquisitions, divestitures, structured financing and advisory services for the middle market. Ms. McCuller served as the Firm's VP of Operations, Chief Information Officer, and Chief Financial Officer. From 1994-1997, Ms. McCuller was a Principal of Applied Business Computing, providing technology strategic planning, custom software development, and implementation management for mid-sized clients in diverse industries across the US. In 1997, Ms. McCuller was retained by Kenpak Inc., a sterile medical packaging and packaging machinery manufacturer in Western NC, to provide acquisition advisory services for the CEO and major shareholder during the Company's acquisition by Pecheney SA of France, which was successfully consummated in 1999. While at Kenpak, Ms. McCuller led the Company's competitive acquisition, development and implementation of a worldwide telecommunications network connecting its facilities in Marshall, NC, Los Angeles, California, and Leeds, U.K. In 1999 Ms. McCuller joined The Institute at Mars Hill College, a nonprofit organization engaged in rural community development. Ms. McCuller served Mars Hill College as the Managing Director of the Institute with the primary objective of bringing its start-up organization to an independent management consulting practice with community development efforts funded through revenues of its national consulting practice. Ms. McCuller accomplished the objective in 2001 with the formation of The Institute at Biltmore in Asheville. As Managing Director of The Institute at Biltmore, Ms. McCuller developed and led a rural telecommunications initiative in WNC in partnership with Southwestern Community College of Sylva, NC. The Appalachian Access Initiative was a groundbreaking research and strategy development project that laid the groundwork for telecommunications infrastructure development in rural mountain communities of WNC.

Neal Quigley, Chief Technology Officer and Director of Engineering – Neal Quigley began his career in telecommunications technology at Sabre, Inc., where he provided telecommunications management and technical expertise to international clients in the travel, transport and logistics industries. While at Sabre, Mr. Quigley also was responsible for fiber optic communications projects throughout the company, including the deployment of metro SONET systems to support Sabre and local client facilities. As part of this project, Mr. Quigley evaluated WDM, SDH and SONET products. From Sabre, Mr. Quigley became a Services Architect for Callisma Inc., where he was a subject matter expert for optical and carrier technology. Additionally, he also served as a high-level telecommunications consultant from Callisma clients including El Paso Global Networks, where he was the Senior Advisor to the Chief Technology Officer; CheckFree Inc.; Qwest; Pathnet; and XO Communications. Mr. Quigley has also served as Manager of Optical and IP Networks, Education and Research Consortium of the Western Carolinas, where he was responsible for budgeting, planning, design, and deployment of a multi-state SONET network.

Leeann Bridges-McHattie- Member – Board of Directors – Leeann Bridges-McHattie is a graduate of Western Carolina University, earning a Bachelor of Arts degree in 1992 and earned an MBA in 1999 from Meredith College, located in Raleigh, NC. In the spring of 2000, Ms. Bridges McHattie joined Paradigm Genetics, a biotech firm specializing in functional genomics in Research Triangle Park, NC, first as the Business Information Manager, then as Product Marketing Director for the company's Marketing & Strategic Planning group. In this role, she was responsible for the development of the Company's strategic business plan for target industries, strategic planning initiatives and market analysis. In the spring of 2001, Ms. Bridges McHattie joined Harrah's Cherokee Casino in Cherokee, NC as Cherokee Development Program Associate focusing in information technology. In October of 2002, she was named IT Project Manager, and was promoted to IT Director in July of 2003. In June 2004, Ms. Bridges-McHattie was promoted to the position of Assistant Vice-President of Marketing. She was appointed to the Board of Directors on May 13, 2004.

Brandon Stephens- Member – Board of Directors – In the six years that Brandon Stephens has been a Planner-Grant Writer for the Eastern Band of Cherokee Indians, he has secured approximately eight million dollars in grants from federal, state, private and corporate sources. In addition, Mr. Stephens has also served as a liaison for community and economic development on the Eastern Band of Cherokee Indians Reservation Trust Property. Mr. Stephens is currently pursuing a Master's Degree in Business Administration and Law from Western Carolina University. Mr. Stephens was appointed to the Board of Directors on November 10, 2003.

Dr. Cecil L. Groves – Member – Board of Directors – Dr. Groves serves as President of Southwestern Community College and holds a Ph.D. in Higher Education Administration. Dr. Groves has served as the Chancellor for the Texas State Technical College System, the President of Pikes Peak Community College, the President of Austin Community College, and the Executive Vice President and Provost of Delgado College. In addition, Dr. Groves has served as the Manager for Educational Applications for Bausch & Lomb. He also has been a member of the Rural Internet Access Authority for North Carolina, a position appointed by the North Carolina Speaker of the House. Dr. Groves was a principal of the Appalachian Access Initiative in Western North Carolina. Dr. Groves joined the Board of Directors on November 10, 2003.

Tim Hubbs – Member – Board of Directors – Tim Hubbs holds a Bachelor of Science Degree in Accounting and a MBA, both from Western Carolina University. After receiving his CPA certificate in 1981, he joined the firm of Ernst & Whinney. He then joined East Tennessee Children's Hospital in 1984, and when he left in 1991, he was the Vice President of Finance and the Chief Financial Officer. From there, he went to Drake Software, where he is currently the Executive Vice President and Chief Operating Officer. Mr. Hubbs was appointed to the Board of Directors on December 12, 2003.

David Hubbs – Member – Board of Directors – David Hubbs currently serves as the Director of Internet Services for Drake Enterprises, Inc., a position he has held for eight years. Prior to joining Drake Enterprises, Mr. Hubbs served as a Store Systems Developer for Barnes and Noble, Inc. where he was responsible for documentation and training. His other previous experience includes serving as a Special Projects Manager and ATM Coordinator at Oak Ridge National Laboratory Federal Credit Union. He holds a degree from Western Carolina University. Mr. Hubbs was appointed to the Board of Directors on November 10, 2003.

With such vast technical experience contributed by the members of its management team, in addition to the outstanding team of engineers and network specialists it employs, BalsamWest has the adequate technical experience and managerial capability to develop and maintain a successful local exchange operation in this state.

EXHIBIT D

FINANCIAL STATEMENTS AND PROJECTIONS

CONFIDENTIAL AND PROPRIETARY – FILED UNDER SEAL

EXHIBIT E

PROPOSED INITIAL TARIFFS

TENNESSEE TELECOMMUNICATIONS TARIFF
OF

BalsamWest FiberNET, LLC

37 College Drive
Sylva, NC 28779

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of local exchange telecommunications services provided by BalsamWest FiberNET, LLC within the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority ("TRA"). Copies may be inspected during normal business hours at Company's principal place of business, 37 College Drive, Sylva, NC 28779.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

CHECK SHEET

The Title Sheet and Sheets 1 through 45 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
Title	Original	31	Original
1	Original	32	Original
2	Original	33	Original
3	Original	34	Original
4	Original	35	Original
5	Original	36	Original
6	Original	37	Original
7	Original	38	Original
8	Original	39	Original
9	Original	40	Original
10	Original	41	Original
11	Original	42	Original
12	Original	43	Original
13	Original	44	Original
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		
29	Original		
30	Original		

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>SHEET NUMBER</u>
Title Sheet	Title
Check Sheet	1
Table of Contents.....	2
Explanation of Symbols.....	4
Tariff Format.....	5
Application of Tariff.....	6
 Section 1 - Technical Terms and Abbreviations	 7
 Section 2 - Rules and Regulations	 10
2.1. Undertaking of Company.....	10
2.2. Customer's Use of Service	11
2.3. Application for Service.....	13
2.4. Deposits	14
2.5. Credit	16
2.6. Provision and Maintenance of Service	17
2.7. Minimum Service Period	18
2.8. Customer Responsibilities	19
2.9. Payments and Billing	21
2.10. Taxes.....	24
2.11. Allowances For Interruption of Service.....	24
2.12. Cancellation or Modification of Service by Customer	25
2.13. Cancellation by Company.....	26
2.14. Restoration of Service.....	28
2.15. Limitation of Liability	29
2.16. Notices	34
2.17. Customer Provided Equipment and Interconnection.....	35
2.18. Promotional Offerings	37
2.19. Individual Case Basis.....	37

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

TABLE OF CONTENTS, Continued

<u>DESCRIPTION</u>	<u>SHEET NUMBER</u>
Section 3 – Description of Service	38
3.1. Application of Rates	38
3.2. Description of Service.....	40
3.3 Metro Access Channel Dedicated Service.....	41
Section 4 – Rates and Charges	43
4.1. Metro Access Channel Dedicated Service.....	43
4.2. Regular, Exceptional and Holiday Hours	44

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation.
- (D) To signify **deleted or discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a Customer's bill.
- (M) To signify that material has been **moved from** another tariff location.
- (N) To signify a **new** rate, regulation, condition or Page.
- (R) To signify a change resulting in a **reduction** to a Customer's bill.
- (T) To signify a change in **text**, but no change to rate or charge.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the Sheet. Sheets are numbered sequentially. However, occasionally, when a new Sheet is added between Sheets already in effect, a decimal is added. For example, a new Sheet added between Sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each Sheet. These numbers are used to determine the most current Sheet version on file with the TRA. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the TRA follows in its tariff approval process, the most current Sheet number on file with the TRA is not always the Sheet in effect. Consult the Check Sheet for the Sheet currently in effect.
- C. **Paragraph Numbering Sequence** – There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a tariff filing is made with the TRA, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the Sheets contained in the tariff with a cross-reference to the current revision number. When new Sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this Sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some Sheets). The tariff user should refer to the latest Check Sheet to find if a particular Sheet is the most current on file with the TRA.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

APPLICATION OF TARIFF

- A. This tariff schedule sets forth the Service offerings, rates, terms and conditions applicable to the furnishing of local exchange telecommunications Services offered by BalsamWest FiberNET, LLC ("Company") to Customers located within the State of Tennessee.
- B. The rates and regulations contained in this Tariff apply only to the intrastate telecommunications Services furnished by Company and do not apply, unless otherwise specified, to the lines, facilities, or the services provided by a Local Exchange Carrier or other common Carrier for use in accessing the Services of Company. This Tariff does not cover any information service or other unregulated service offered by Company. Company will offer any information or other unregulated service in accordance with Company's current price list or contract, whichever applies to the particular customer.
- C. Company may not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, but not limited to, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.
- D. The rates, rules, terms and conditions contained herein are subject to change pursuant to the rules and regulations of the TRA
- E. This tariff will be maintained and made available for inspection by any Customer at Company's principal business office at BalsamWest FiberNET, LLC at 37 College Drive, Sylva, NC 28779.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Certain terms used generally throughout this Tariff for Services of Company are defined below.

Authorized User:

A person, firm, corporation or other entity that either is authorized by the Customer to use Service or is placed in a position by the Customer, either through acts or omissions, to use Service.

Called Station:

The terminating point of a call (i.e., the called number).

Carrier:

A company authorized by the Tennessee Regulatory Authority to provide telecommunications services.

Channel:

A communications path between two or more points of termination.

Company.

BalsamWest FiberNET, LLC

Customer:

The person, firm, corporation or other entity which orders or uses Service and is responsible for payment of charges and compliance with tariff regulation.

Customer Premises:

A location(s) designated by the Customer for the purposes of connecting to Company's Services.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, continued

Customer Premises Equipment (CPE):

Equipment located at the Customer's Premises for use with Company's Service.

Facility:

Includes, in the aggregate or otherwise, but is not limited to, the following:

channels	lines
apparatus	devices
equipment	accessories
communications paths	systems

which are provided by Company and utilized by it in the furnishing of telecommunications Services or which are provided by a Customer and used for telecommunications purposes.

Force Majeure:

Causes beyond Company's control, including but not limited to: acts of God, fire, flood explosion, acts of terrorism, or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies, insurrection, riots, wars, unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, cable or fiber cut, acts of a third party, or other labor difficulties.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, continued

LATA:

Local Access and Transport Area ("LATA"). A geographic area established for the provision and administration of communications service. A LATA encompasses designated exchanges, which are grouped to serve common social, economic and other purposes

Local Exchange Carrier:

A company which furnishes local exchange telecommunications service.

Premises:

A building or buildings or contiguous property, not separated by a public highway or right-of-way.

TRA

Tennessee Regulatory Authority.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF COMPANY

- 2.1.1. Company undertakes to provide Services subject to the terms and conditions of this Tariff.
- 2.1.2. Company's Services are furnished for telecommunications originating and terminating in any area within the State of Tennessee.
- 2.1.3. Company offers Services to Customers for the transmission and reception of voice, data, and other types of communications.
- 2.1.4. Company does not transmit messages pursuant to this Tariff, but its Services may be used for that purpose.
- 2.1.5. Company's Services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.6. Company may, at Company's sole discretion, elect to employ third parties to perform any of its obligations under this tariff.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.2. CUSTOMER'S USE OF SERVICE**

- 2.2.1. Service may be used for any lawful purpose consistent with this Tariff and with the transmission and switching parameters of the telecommunications facilities utilized in the provision of Services.
- 2.2.2. Equipment Company provides or installs at the Customer's premises for use in connection with the Services Company offers may not be used for any other purpose other than for which Company provided it. Customer may not, and may not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the Services or equipment installed by Company or Company's agent, except upon the consent of Company.
- 2.2.3. The Services Company offers may not be used for any unlawful purpose or for any use as to which the Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by Customer with respect thereto.
- 2.2.4. Resellers and rebillers of Company's service must be certified as Local Exchange Carriers.
- 2.2.5. Service may not be used in any manner, which interferes with other persons in the use of their Service, prevents other persons from using their Service, otherwise impairs the quality of Service to other Customers, or impairs the privacy of any communications over any Service provided by Company. Company may require a Customer to shut down its transmission of signals if said transmission is causing interference to others.
- 2.2.6. Service may not be used in any manner so as to annoy, abuse, threaten, or harass other persons.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.2. CUSTOMER'S USE OF SERVICE, Continued

- 2.2.7. The use of Company's Services either without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.8. The Customer obtains no property right or interest in the use of any specific type of facility, Service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with Company.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.3. APPLICATION FOR SERVICE

- 2.3.1. A Customer desiring to obtain Service must complete the appropriate service order form and submit the service order in compliance with Company subscription requirements as may be established from time to time.
- 2.3.2. The name(s) of the Customer(s) desiring to use the Service must be set forth in the application for Service.
- 2.3.3. Company reserves the right to refuse an application for Service made by a present or former Customer who is indebted to Company for Service previously rendered pursuant to this Tariff until the indebtedness is satisfied. Company may also refuse an application when, in Company's sole discretion, provision of Service is precluded under Section 2.6.1. below.
- 2.3.4. Request for Service under this Tariff will authorize Company to conduct a credit search on the Customer. Company reserves the right to refuse Service on the basis of credit history and to refuse further Service due to late payment or nonpayment by the Customer.
- 2.3.5. Where the Customer cancels an application for Service, a cancellation charge will apply as specified in the Cancellation or Modification of Service by Customer Section of this Tariff.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. DEPOSITS/PRE-PAYMENTS

- 2.4.1. To safeguard its interests, Carrier may require an applicant or Customer to make a deposit to be held as a guarantee for the payment of charges or a pre-payment.
- 2.4.2. Company may require a deposit from an existing business Customer as a condition to the further provision of Service if, according to Company's assessment, the Customer has become a credit risk.
- 2.4.3. The deposit or pre-payment will not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.4. The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the Tariff regulations for the prompt payment of bills on presentation.
- 2.4.5. Each applicant or Customer from whom a deposit is collected will be given a receipt in accordance with the rules and regulations of the TRA pertaining to customer deposits.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. DEPOSITS/PRE-PAYMENTS, Continued

- 2.4.6. Simple interest will be credited or paid to the Customer at the rate of seven percent (7%) per annum while Carrier holds the cash deposit. Interest shall be paid annually to the Customer or, at the option of the Customer, shall be applied to the Customer's bill.
- 2.4.7. A deposit may be required in addition to a pre-payment. The sum of any deposit and any pre-payment shall not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.8. When a service or facility is discontinued, the amount of a deposit, if any, relating to such service or facility will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, Carrier will return the deposit or credit it to the Customer's account.

Issued: _____
Issued By. _____

Effective Date. _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.5. CREDIT**

2.5.1. Company, in order to ensure payment of its charges for Service or for loss of or damage to Company property, will require Applicants and Customers to establish and maintain credit. The establishment or re-establishment of credit as provided in this Section does not relieve an applicant or Customer from compliance with other provisions of this Tariff as to the payment of bills and in no way modifies the Sections regarding disconnection and termination of Service for failure to pay bills due for Service furnished.

2.5.2. Company may require any applicant or Customer to establish and maintain credit in one or more of the following ways:

- A. Demonstrating credit satisfactory to Company by providing information pertinent to the applicant's or Customer's credit standing;
- B. Providing a suitable guarantee in writing, in a form presubscribed by Company;
or
- C. Paying a cash deposit and /or a pre-payment pursuant to Section 2.4.

Company may determine, in its sole discretion, whether or not a particular reference or guarantee in writing would be acceptable as a substitute for demonstrating satisfactory credit.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.6. PROVISION AND MAINTENANCE OF SERVICE**

- 2.6.1. Company will use reasonable efforts to make Service available to Customers on or before a particular date, subject to the provisions and compliance by the Customer within the provisions of this Tariff. The lack of facilities or other operational impediments, including regulatory approvals, may preclude or delay provision of Service (a) in a particular location or to a particular Customer and/or (b) at any promised performance level. Actual transmission speeds and service characteristics of a Service may vary from those expected by the Customer due to such factors as the length and gauge of the line and other operational characteristics of the equipment and facilities used.
- 2.6.2. Company will have control over the installation, rearrangement, repair, maintenance, and disconnection of all network elements owned or otherwise obtained to ensure the required level of Service. Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but will not thereby alter the technical parameters of the Service provided to the Customer.
- 2.6.3. Company will use reasonable efforts to maintain the Service that it furnishes to the Customer. Company may make such tests, adjustments and inspections as may be necessary to maintain Company's Services and equipment in satisfactory operating condition. When possible, Company may, in its sole discretion, provide the Customer with reasonable notice of Service-affecting activities that may occur in the normal operation of Company business.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.7. MINIMUM SERVICE PERIOD**

- 2.7.1. The minimum Service period is one month (30 days). The Customer must pay the regular tariffed rate for Service for the minimum period of Service. If a Customer disconnects Service before the end of the minimum Service period, that Customer must pay the regular rates for the remainder of the minimum Service period. When the Service is moved within the same building, to another building on the same Premises, or to a different Premises entirely, the period of Service at each location is accumulated to calculate if the Customer has met the minimum Service period obligation.
- 2.7.2. If Service is terminated before the end of the minimum period of Service as a result of condemnation of property, damage to property requiring the Premises to be abandoned, or by the death of the Customer, the Customer is not obligated to pay for Service for the remainder of the minimum period.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.8. CUSTOMER RESPONSIBILITIES**

- 2.8.1. The Customer is responsible for the payment of all charges for Service furnished to the Customer.
- 2.8.2. The Customer is responsible for compliance with applicable regulations set forth in this Tariff.
- 2.8.3. The Customer must make arrangements or obtain permission for safe, reasonable and continuous access and right-of-way for Company employees or agents of Company to enter the Premises of the Customer or any Authorized User of the Customer at any reasonable hour for the purpose of performing Company's obligations under this Tariff.
- 2.8.4. The Customer is responsible for the payment of (a) Service charges as set forth herein and (b) charges for visits by Company's agents or employees to the Premises of the Customer or Authorized User when the Service difficulty or trouble report results from the use of Services and equipment by the Customer or Authorized User.
- 2.8.5. Customer will, at Customer's expense, provide reasonable space, power, and level of heating and air conditioning, and otherwise maintain the proper environment to operate Company's Service at Customer's or Authorized User's premises.
- 2.8.6. The Customer may not, without prior written consent of Company, which consent shall not be unreasonably withheld, assign, transfer, or in any other manner dispose of, any of its rights, privileges, or obligations under this Tariff, and any attempt to make such an assignment, transfer, disposition without consent will be null and void.
- 2.8.7. A Customer or Authorized User may not represent in any way that the relationship between Customer or Authorized User and Company is anything other than one of customer and supplier, respectively. Nothing in this Tariff gives Customer or Authorized Users any authority to bind or otherwise incur liability on behalf of Company. Nothing in this Tariff constitutes an endorsement by Company of any activity, service or product of Customer or Authorized Users.

Issued: _____

Effective Date: _____

Issued By: _____

John A Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.8 CUSTOMER RESPONSIBILITIES

- 2.8.8. The Customer is responsible for any damages, including usage charges that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's Premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over Company's network without the authorization of the Customer.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.9. PAYMENTS AND BILLING**

- 2.9.1. Service is provided and recurring Service charges billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer.
- 2.9.2. Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Invoices of \$20.00 or more that are not paid within thirty-one (31) days after the date of posting are subject to a 1.5 percent per month or the highest interest rate allowed by law, late payment charge for the unpaid balance.
- 2.9.3. A Customer will not be liable for any late payment charge applicable to a disputed portion of that Customer's bill, so long as the Customer pays the undisputed portion of the bill and enters into bona fide negotiations to resolve the dispute on a timely basis, pursuant to Section 2.9.8, provided if disputed bill is correct, late payment charges shall apply retroactive to the original due date.
- 2.9.4. Checks presented in payment for Services and subsequently returned to Company by the Customer's financial institution for "Non-Sufficient Funds" or other reasons will incur a nonrecurring charge.
- 2.9.5. Billing disputes should be addressed to Company's Billing organization at the following address: 37 College Drive, Sylva, NC 28779.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.9. PAYMENTS AND BILLING, Continued**

- 2.9.6. In case of a billing dispute between Customer and Company as to the correct amount of a bill, which cannot be adjusted with mutual satisfaction, Customer may enter the following arrangement:
- A. First, Customer requests, and Company will comply with the request, an investigation and review of the disputed amount.
 - B. The Customer pays the undisputed portion of the bill by the Due By Date shown on the bill or the Service will be subject to disconnection if Company has notified Customer by written notice of such delinquency and impending termination.
 - C. If there is still disagreement after the investigation and review by a manager of Company, Customer may appeal to TRA for its investigation and decision.
 - D. Company will not disconnect Customer's Service for nonpayment as long as Customer complies with this arrangement.
 - E. Company will respond to the TRA's requests for information within ten (10) business days.
 - F. The TRA will review the claim regarding the disputed amount, communicate the results of its review to Customer and Company, and require disbursement according to those results.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.9. PAYMENTS AND BILLING, Continued****2.9.10. Disputed Bills, continued**

G. After the investigation and review are completed by Company as noted in subsection A. , such amount becomes due and payable at once. In order to avoid disconnection of Service, such amount must be paid within seven (7) calendar days after the date Company notifies Customer that the investigation and review are completed and that such payment must be made or Service will be interrupted. However, the Service will not be disconnected prior to the Due By Date shown on the bill. In no event will service be discontinued on the day preceding any day on which Carrier is not prepared to accept payment of the amount due and to reconnect service, and service will not be disconnected for non-payment of any disputed amount during the TRA's review of the dispute.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.10. TAXES**

Customer must pay, without limitation, all sales, use, gross receipts, excise, access, bypass, and other local, state and federal taxes, charges, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services (excluding taxes on Company's net income). Such taxes may be separately stated on the applicable invoice.

2.11. ALLOWANCES FOR INTERRUPTION OF SERVICE

- 2.11.1. For the purpose of applying this provision, the word "interruption" means the inability to access Service due to equipment malfunction or human errors. "Interruption" does not include, and no allowance will be given for, Service difficulties such as slow access, circuits busy or other network and/or switching capacity shortages.
- 2.11.2. Credit allowances will be given in accordance to this Section 2.11. for interruptions of Service which are not due to an event of Force Majure, Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer or another Carrier, and are subject to the general limitation of liability provisions set forth in Section 2.15. herein. Customer must notify Company of any interruptions of Service. Before giving such notice, the Customer must ascertain that the trouble is not caused by any action or omission of the Customer, and not otherwise within the Customer's control.
- 2.11.3. For purposes of computing a credit under Section 2.11, every month is considered to have 720 hours. No credit will be allowed for an interruption of a continuous duration of less than two hours. Company will credit the Customer for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the Service affected for each hour or major fraction thereof that the interruption continues beyond two hours after the Company's receipt of notice of the interruption from the Customer.

Credit formula: $\text{Credit} = (A/720) \times B$

A - outage time in hours

B - total monthly charge for affected Service

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.12. CANCELLATION OR MODIFICATION OF SERVICE BY CUSTOMER**

- 2.12.1. Customers may cancel Service by providing written notice to Company at least thirty (30) days prior to cancellation. The notice must specify the date on which Service is to be discontinued.
- 2.12.2. The Customer remains responsible for all Service charges until the day and time on which Service is actually disconnected.
- 2.12.3. If Customer cancels Service before Company completes installation of the Service the Customer will pay an early termination charge.
- 2.12.4. In the case of a Customer-initiated modification of Service, charges for the subsequent order are in addition to the costs incurred and any other applicable charges before the Customer changed the original order.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.13. CANCELLATION BY COMPANY**

2.13.1. Company may immediately discontinue furnishing the Service to a Customer without incurring liability:

- A. If there is a condition determined in Company's sole discretion to be hazardous to the Customer, to other Customers of Company, to Company's equipment, to the public or to employees or agents of Company; or
- B. If Company deems refusal or disconnection necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or Services; or
- C. For non-compliance with and/or violation of any State or municipal law, ordinance or regulation pertaining to Service; or
- D. For use of Company's Services for any purpose other than that described in the application; or
- E. In the event of Customer use of equipment in such a manner as to adversely affect Company's equipment or the Service to others; or
- F. In the event of tampering with the equipment furnished and owned by Company; or
- G. When necessary for Company to comply with any order or request of any governmental authority having jurisdiction; or
- H. In the event of unauthorized or fraudulent use of Service.

Issued. _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.2. Company may discontinue Service without liability upon ten (10) days written notice to the Customer via first-class mail prior to discontinuance of Service:

- A. For violation of this Tariff, except as provided in Section 2.13.1, including without limitation, non-payment of bills for Service, refusal to provide Company with either a deposit or advance payment, or failure to meet Company's credit requirements; or
- B. For failure of the Customer to make proper application for Service including, without limitation, the provision of false information.

2.13.3. The discontinuance of Service(s) by Company pursuant to this section does not relieve the Customer of any obligations to pay Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein are not exclusive, and Company is at all times entitled to all the rights available to it under law or equity.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.14. RESTORATION OF SERVICE**

- 2.14.1. The use and restoration of Service in emergencies may be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.
- 2.14.2. When a Customer's Service has been disconnected in accordance with this Tariff and the Service has been terminated through the completion of a Company service order, Service will be restored only upon the basis of application for new Service.
- 2.14.3. A Customer whose Service has been discontinued for failure to establish credit or for nonpayment of bills will be required to pay the unpaid balance due Company before Service is restored.
- 2.14.4. Whenever Service has been discontinued for fraudulent or other unlawful use, Company may, before restoring Service, require the Customer to make, at its own expense, all changes in facilities or equipment necessary to eliminate such fraudulent or otherwise unlawful uses and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.14.5. Any Customer whose Service has been disconnected may be required to pay Service reconnection charges equal to the initial Service Connection Charge before Service is restored.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY**

- 2.15.1. Company will not be liable to the Customer or any user of the Company's Services for, and the Customer and any Authorized User, jointly and severally, will indemnify, defend and hold harmless Company from any allegation, claim, loss, damage, liability, defect, cost or expense resulting from or involving:
- A. Libel, slander, or invasion of privacy from material, data, information or other content transmitted over Company's facilities; or
 - B. Patent or trademark infringement or other infringement of intellectual property rights including, but not limited to, copyrights, trademarks, and trade secrets, arising from (1) combining (or using in connection with) Company-provided Services and equipment with any facilities, services functions, or products provided by the Customer or Authorized User or (2) use of Services, functions, or products which Company furnished in a manner Company did not contemplate and over which Company exercises no control. In the event that any such infringing use is enjoined, the Customer or Authorized User at its expense, will obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish the claim in infringement, terminate the claimed infringing use, or modify such combination so as to avoid any such infringement; or
 - C. A breach in the privacy or security of communications transmitted over Company's facilities; or
 - D. Acts, mistakes, omission, interruptions delays, errors or defects in transmission over Company's facilities or equipment; or
 - E. Injuries to persons or property from voltages or currents transmitted over Company-provided facilities caused by Customer-provided equipment or Premises wire; or
 - F. The disconnection of Service for failure to pay the charges billed to Customer, including but not limited to, any direct, indirect, incidental, special consequential, exemplary or punitive damages, so long as such disconnection of Service complied with the applicable rules and regulations; or

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.15. LIMITATION OF LIABILITY, Continued

2.15.1. Continued

- G. Violations of the obligations of the Customer under this Tariff; or
- H. Defacement of or damage to Customer Premises, facilities or equipment resulting from the furnishing of Service or equipment on such Premises or the installation, maintenance, repair or removal thereof, unless such defacement or damage is caused by willful misconduct of Company's agents or employees; or
- I. Any loss, destruction or damage to property of the Customer, the Customer's agent, distributors, or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of Company, Customer, Authorized User or their employees, agents representatives or invitees; or
- J. Any delay or failure of performance or equipment due to a Force Majeure condition or any unlawful acts of Company's agents and employees if committed beyond the scope of their agency or employment.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued****2.15.1. Continued**

K. Any act, mistake, omission, fraudulent act of a third party, interruption, delay, error, or defect caused by or contributed to by:

1. Another company or Carrier, or its agents or employees, when the facilities or equipment of the other company of Carrier are used for or with the Service Company offers.
2. The Customer, or any third party acting as its agent, in connection with Company-provided or Customer-provided facilities or equipment, including, but not limited to, the Customer's failure to take all necessary steps to obtain, install and maintain all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer to Company's network; or
3. A third party.

L. Any unauthorized use of the Service provided to Customer.

- 2.15.2. The liability of Company for damages arising out of the furnishing of, or failing to furnish, its Services, including but not limited to mistakes, omission, disconnections, interruptions, delays, acts of a third party, errors, defects, or representations, whether caused by acts or omissions is limited to the extension of allowances for interruption as set forth in this Tariff. Such allowances for interruptions are the sole remedy of the Customer and the sole liability of Company. Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company Service, equipment or facilities, or the acts or omissions, acts of a third party, or the acts or omissions or negligence of Company, its employees or agents.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued**

- 2.15.3. The liability of Company's suppliers and vendors for damages arising out of the furnishing of, or failing to furnish, their services, including but not limited to mistakes, omissions, interruptions, delays, errors, defects, or representations, whether caused by acts or omissions of such suppliers and vendors shall be limited to the extension of allowances for interruptions as set forth in this Tariff. The extension of such allowances for interruptions will be the sole remedy of the Customer and the sole liability of Company's supplier and vendors. Company's suppliers and vendors will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer, as a result of any service, equipment or facilities, or the act of omissions, or negligence of Company's suppliers and vendors, its employees or agents.
- 2.15.4. The entire liability of Company for any claim, loss, damage or expense from any cause whatsoever will in no event exceed sums actually paid to Company by the Customer for the specific Services giving rise to the claim, and no action or proceeding against Company may be commenced more than one (1) year after the Service is rendered.
- 2.15.5. THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. COMPANY MAKES NO WARRANTY THAT SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE OR MEET ANY PARTICULAR PERFORMANCE LEVEL; NOR DOES COMPANY MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED THROUGH THE SERVICES OR THAT ANY DEFECT IN THE SERVICE WILL BE CORRECTED.
- 2.15.6. The liability of Company for errors in billing that result in overpayment by the Customer will be limited to a credit equal to the dollar amount erroneously billed or, in the even that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued**

- 2.15.8. Company makes no warranty or representation of any kind whatsoever with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any entity or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition precedent to such installations.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.16. NOTICES**

Any notice Company may give to a Customer will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, registered or certified, postage prepaid, addressed to the Customer's billing address. Any notice the Customer may give Company will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, postage prepaid, addressed to Company at the address provided in the most recently revised tariff pages.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.17. CUSTOMER PROVIDED EQUIPMENT AND INTERCONNECTION**

- 2.17.1. Customer-provided equipment on the Premises of Customer or Authorized User, the operating personnel there, and the electric power consumed by such equipment must be provided by and maintained at the expense of the Customer or Authorized User. Conformance of Customer-provided equipment with Part 68 of the FCC Rules is the responsibility of Customer.
- 2.17.2. Customer or Authorized User must ensure that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring must be such as not to cause damage to Company-provided equipment and wiring or injury to Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury may be provided by Company at Customer's expense.
- 2.17.3. Company will not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where Customer-provided equipment is connected to the facilities and equipment furnished under this Tariff, the responsibility of Company will be limited to the furnishing of Service, facilities and equipment offered pursuant to this Tariff. Beyond this responsibility, Company will not be responsible for:
- A. the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling when performed by Customer-provided network control signaling equipment.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.17. CUSTOMER PROVIDED EQUIPMENT AND INTERCONNECTION,**
Continued

- 2.17.4. The Customer must secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with Company. In addition, the Customer must ensure that its equipment and/or system or that of its Authorized User or agent(s) is properly interfaced with Company's Service and the signals emitted into Company's network are of the proper mode, bandwidth, power, data speed and signal level for the intended use of the Customer. If the Customer or its Authorized User or agent(s) fails to properly maintain and operate its equipment and/or system, Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.17.5. Interconnection between the facilities or services of other carriers is governed by the applicable terms and conditions of the other carriers' tariffs.
- 2.17.6. Service furnished by Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers must be provided at the Customer's expense.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.19. PROMOTIONAL OFFERINGS**

Company may make promotional offerings of its tariffed services which may include reducing or waiving applicable charges for the promoted Service. No individual promotional offering will exceed six (6) months in duration, and any promotional offering will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. At the Company's option, a letter outlining the promotion may be filed with the TRA in lieu of filing tariff language.

2.20 INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. Specialized rates, charges and services shall be available to similarly situated customers on a non-discriminatory basis. Unless otherwise specified, the terms, conditions, obligation and regulation set forth in this tariff shall be incorporated into, and become part of, said contract. All ICB arrangements will be filed with or made available to the TRA upon request.

In addition to any rate or charge established by the Company, the Customer will also be responsible for any recurring or non-recurring charges imposed by local exchange telephone companies incurred by or on behalf of the Customer in establishing and maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE

3.1. APPLICATION OF RATES

3.1.1. The following sections set forth the rules and regulations governing the application of rates for Company Services, including the following general rate categories:

- A. Nonrecurring Charges for installation of facilities and Services;
- B. Monthly Rates for availability and use of facilities and Services; and
- C. Usage or Transaction Charges (where applicable).

3.1.2. Service Areas

- A. Unless otherwise specified in this tariff, Company's local exchange Service area is statewide.
- B. Unless otherwise specified in this tariff, Company's interexchange Service area is statewide.
- C. Company's description of service area in no way compels Company to provide any Service in an area where facilities or other extenuating factors limit Company's ability to provide Service.

3.1.3. Services are offered by the Carrier via its own facilities and/or the facilities of other carriers. Services are offered as one-way or two-way communications services, as specified. Special construction charges may apply in each case. Services may not be available to all Customers. Such services may not be accompanied by 411, 911 or other voice services. In addition to the charges specified for each service, additional charges may apply for transfers of data per month or at certain times in excess of certain thresholds.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE, continued**3.1. APPLICATION OF RATES**, continued**3.1.4. Service Connection Charges**

- A. Service Connection Charges are nonrecurring charges for establishing or modifying Services. Service Connection Charges are incurred by Customer-initiated requests only.
- B. Unless specifically exempted in this or other Sections of this Tariff, Service Connection Charges apply to all Customer-initiated requests, and are in addition to all other scheduled rates and charges.
- C. The charges specified herein reflect Service provided during regularly scheduled work hours, at current installation intervals and without work interruptions by the Customer.
- D. Customer requests for expedited Services that require installations on a date that is less than the normal offered interval may result in an increase in applicable Service Connection Charges.
- E. Customer requests performed on an out-of-hours basis shall also incur an add-on to applicable Service Connection Charges (excluding the Service Ordering Charge), along with any additional costs that may be involved.
- F. Service Connection Charges for the initial establishment of Service are payable with the first bill rendered for Service

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE, continued

3.2 GENERAL DESCRIPTION OF SERVICE

- 3.2.1 Service is offered to customers on a full-time monthly basis.
- 3.2.2 All Dedicated Telecommunications Services shall remain in effect for a minimum period of thirty (30) days.
- 3.2.3 Service furnished by the Company will be furnished at the rates contained in this tariff. The Company offers its services subject to the availability of the necessary facilities and/or equipment.
- 3.2.4 The Company reserves the right to refuse to provide service to or from any location where the necessary facilities and/or equipment are not available.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

3.3 METRO ACCESS CHANNEL DEDICATED TELECOMMUNICATIONS SERVICE

3.3.1. Metro Access Channel Dedicated Telecommunications Service is offered in the form of intraexchange communications facilities which are dedicated to the use of a specific customer and are billed at the pre-determined fixed monthly rates. Service to be provided in the following standard digital transmission formats:

- A. DS1 Service is a point to point dedicated circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial bipolar isochronous digital signals that meet the following requirements:

Transmission Speed:	1.544 Mbps
Line Code:	Bipolar Alternate Mark Inversion (AMI) or Bipolar 8 zero substitution (B8ZS)
Framing:	Super Frame (SF) or Extended Super Frame (ESF)
Line Impedance:	110 ohms balanced

- B. DS3 Service is a point to point dedicated circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial bipolar isochronous digital signals. Service is to be provided in the following format:

Transmission Speed:	44.736 Mbps
Line Code:	Bipolar three-zero substitution (B3ZS)
Line Impedance:	75 ohm coax

- C. OC-3 Service is a point to point dedicated optical circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial synchronous digital signals. Service is to be provided in the following format:

Transmission Speed:	155.52 Mbps
Operating Wavelength:	Transmit 1272 nm to 1350 nm Receive 1260 nm to 1380 nm
Line Code:	Scrambled Non-Return to Zero (NRZ)
Standard Compliant:	TR-253

- D Service in digital transmission formats other than those listed above may

Issued: _____
Issued By. _____

Effective Date. _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

be provided at the Company's option on an Individual Case Basis (ICB).

3.3 METRO ACCESS CHANNEL DEDICATED TELECOMMUNICATIONS SERVICE, continued

- 3.3.2. A Customer must provide Company with 30 days written notice to disconnect a circuit. All charges for telecommunications service and service components ordered under this tariff and provided by Company, or by Company as agent acting in the customer's behalf, will apply for 30 days from the time notice is received or until the requested disconnection date, whichever is later. The charges will apply whether or not the customer uses the circuit.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 4- RATES AND CHARGES**4.1. RATES**

Where this Tariff provides for a Standard Rate or Charge for a service, such Standard Rate or Charge shall apply to Customer's use of such service regardless of the terms of Customer's Customer Service Agreement, if any, unless the service is provided as part of an Individual Case Basis arrangement in which case the rate or charge applicable to Customer's use of such service shall be the rate or charge specified in such ICB arrangement.

- 4.1. The charge for basic Metro Access Channel Dedicated Telecommunications Service is a flat rate per channel charge. One-time installation charges will also be billed when a customer establishes service. Optional features and services encompass additional services or service options available to customers for additional charges.

4.1.2 DS1 Channel Rates and Charges

- | | | |
|----|---------------------------|----------|
| A. | Recurring Monthly Charges | \$312.00 |
| B. | Installation Charges | \$500.00 |

4.1.3. DS3 Channel Rates and Charges

- | | | |
|----|---------------------------|------------|
| A. | Recurring Monthly Charges | \$1,680.00 |
| B. | Installation Charges | \$500.00 |

4.1.4. OC-3 Channel Rates and Charges

- | | | |
|----|---------------------------|------------|
| A. | Recurring Monthly Charges | \$3,720.00 |
| B. | Installation Charges | \$1,553.00 |

4.1.5 Optional Features and Services

4.1.5.A Multiplexing Monthly Charges

- | | | |
|-----------|---------|----------|
| 4.1.5.A.1 | Per DS1 | \$450.00 |
| 4.1.5.A.2 | Per DS3 | \$370.00 |

- | | | |
|-------|-----------------------|---------|
| 4.1.6 | Returned Check Charge | \$25.00 |
|-------|-----------------------|---------|

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

SECTION 4- RATES AND CHARGES, continued,**4.2 Regular Working Hours, Exceptional Working hours, and Holiday hours**

For purposes of exceptional working hours and holidays the rates and charges specified in this Tariff contemplate that all work in connection with furnishing (not repairing) or rearranging service will be performed during regular working hours. Whenever a customer requests that such work be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have been incurred, the customer may be required to pay, in addition to the other rates and charges specified in this Tariff, the amount of additional cost incurred by the Company as a result of the customer's special requirements. A customer may also be required to pay the amount of additional cost incurred by the Company resulting from the customer's special requirements. The customer will be informed of such estimated cost prior to its occurrence by the Company.

Business Hours: 8:00 a.m. - 5:00 p.m. - Monday - Friday
Evening: 5:00 - 11:00 p.m. Sunday - Friday and all Holidays *
Night/Weekend: 11:00 p.m. - 8:00 Weeknights;
8:00 a.m. - 11:00 p.m. - Saturday;
8:00 a.m. - 5:00 p.m. - Sunday

The hours listed above do not have any application to the services contained in this tariff other than to differentiate regular and exceptional work hours.

* Holidays include New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving Day and the day after, Christmas Eve and Christmas Day. The Company observes holidays falling on a Sunday on the following Monday and holidays falling on a Saturday on the preceding Friday.

The Company normally observes holidays falling on a Sunday on the following Monday and holidays falling on a Saturday on the preceding Friday.

Repair Service Charges (not including materials)

Business hours: \$150.00 per hour
Non-Business hours
and holidays: \$275.00 per hour

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest FiberNET, LLC
37 College Dr.
Sylva, NC 28779

TENNESSEE TELECOMMUNICATIONS TARIFF

OF

BalsamWest Fiber NET, LLC

37 College Drive
Sylva, NC 28779

INTEREXCHANGE TELECOMMUNICATIONS SERVICES

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange telecommunications services provided by BalsamWestFiberNET, LLC within the State of Tennessee. This Tariff is on file with the Tennessee Regulatory Authority ("TRA"). Copies may be inspected during normal business hours at Company's principal place of business, 37 College Drive, Sylva, NC.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

CHECK SHEET

The Title Sheet and Sheets 1 through 45 inclusive of this Tariff are effective as of the date shown at the bottom of the respective sheet(s). Revised sheets as named below contain all changes from the original filing that are in effect on the date listed.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
Title	Original	24	Original
1	Original	25	Original
2	Original	26	Original
3	Original	27	Original
4	Original	28	Original
5	Original	29	Original
6	Original	30	Original
7	Original	31	Original
8	Original	32	Original
9	Original	33	Original
10	Original	34	Original
11	Original	35	Original
12	Original	36	Original
13	Original	37	Original
14	Original	38	Original
15	Original	39	Original
16	Original	40	Original
17	Original	41	Original
18	Original	42	Original
19	Original	43	Original
20	Original	44	Original
21	Original		
22	Original		
23	Original		

TABLE OF CONTENTS

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

<u>DESCRIPTION</u>	<u>SHEET NUMBER</u>
Title Sheet	Title
Check Sheet	1
Table of Contents.....	2
Explanation of Symbols.....	4
Tariff Format.....	5
Application of Tariff.....	6
 Section 1 - Technical Terms and Abbreviations	 7
 Section 2 - Rules and Regulations	 11
2.1. Undertaking of Company.. ..	11
2.2. Customer's Use of Service	12
2.3. Application for Service	14
2.4. Deposits	15
2.5. Credit	17
2.6. Provision and Maintenance of Service	18
2.7. Minimum Service Period	19
2.8. Customer Responsibilities	20
2.9. Payments and Billing	22
2.10. Taxes.....	25
2.11. Allowances For Interruption of Service.....	25
2.12 Cancellation or Modification of Service by Customer	26
2.13. Cancellation by Company	27
2.14. Restoration of Service.....	29
2.15. Limitation of Liability	30
2.16. Notices	35
2.17. Customer Provided Equipment and Interconnection	36
2.18. Promotional Offerings	38
2.19. Individual Case Basis.....	38

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

TABLE OF CONTENTS, Continued

<u>DESCRIPTION</u>	<u>SHEET NUMBER</u>
Section 3 – Description of Service	39
3.1. Application of Rates	39
3.2. Description of Service.....	41
 Section 4 – Rates and Charges	43
4.1. Long Haul Channel Dedicated Service.....	43
4.2. Regular, Exceptional and Holiday Hours	44

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation.
- (D) To signify **deleted or discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a Customer's bill.
- (M) To signify that material has been **moved from** another Tariff location.
- (N) To signify a **new** rate, regulation, condition or Page.
- (R) To signify a change resulting in a **reduction** to a Customer's bill.
- (T) To signify a change in **text**, but no change to rate or charge.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the Sheet. Sheets are numbered sequentially. However, occasionally, when a new Sheet is added between Sheets already in effect, a decimal is added. For example, a new Sheet added between Sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each Sheet. These numbers are used to determine the most current Sheet version on file with the TRA. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the TRA follows in its tariff approval process, the most current Sheet number on file with the TRA is not always the Sheet in effect. Consult the Check Sheet for the Sheet currently in effect.
- C. **Paragraph Numbering Sequence** – There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a tariff filing is made with the TRA, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the Sheets contained in the tariff with a cross-reference to the current revision number. When new Sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this Sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some Sheets). The tariff user should refer to the latest Check Sheet to find if a particular Sheet is the most current on file with the TRA.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

APPLICATION OF TARIFF

- A. This Tariff schedule sets forth the Service offerings, rates, terms and conditions applicable to the furnishing of interexchange telecommunications Services offered by BalsamWest FiberNET, LLC. ("Company") to Customers located within the State of Tennessee.
- B. The rates and regulations contained in this Tariff apply only to the intrastate telecommunications Services furnished by Company and do not apply, unless otherwise specified, to the lines, facilities, or the services provided by a Local Exchange Carrier or other common Carrier for use in accessing the Services of Company. This Tariff does not cover any information service or other unregulated service offered by Company. Company will offer any information or other unregulated service in accordance with Company's current price list or contract, whichever applies to the particular customer.
- C. Company may not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, but not limited to, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.
- D. The rates, rules, terms and conditions contained herein are subject to change pursuant to the rules and regulations of the TRA.
- E. This Tariff will be maintained and made available for inspection by any Customer at Company's principal business office at 37 College Drive, Sylva, NC .

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Certain terms used generally throughout this Tariff for Services of Company are defined below.

Authorized User:

A person, firm, corporation or other entity that either is authorized by the Customer to use Service or is placed in a position by the Customer, either through acts or omissions, to use Service.

Called Station:

The terminating point of a call (i.e., the called number).

Carrier:

A company authorized by the Tennessee Regulatory Authority to provide telecommunications services.

Channel:

A communications path between two or more points of termination.

Company:

BalsamWest FiberNET, LLC

Customer:

The person, firm, corporation or other entity which orders or uses Service and is responsible for payment of charges and compliance with tariff regulation.

Issued: _____

Effective Date: _____

Issued By:

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Customer Premises:

A location(s) designated by the Customer for the purposes of connecting to Company's Services.

Customer Premises Equipment (CPE):

Equipment located at the Customer's Premises for use with Company's Services.

Facility:

Includes, in the aggregate or otherwise, but is not limited to, the following:

channels	lines
apparatus	devices
equipment	accessories
communications paths	systems

which are provided by Company and utilized by it in the furnishing of telecommunications Services or which are provided by a Customer and used for telecommunications purposes.

Force Majeure:

Causes beyond Company's control, including but not limited to: acts of God, fire, flood explosion, acts of terrorism, or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrection, riots, wars, unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, cable or fiber cut, acts of a third party, or other labor difficulties.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Interexchange Service:

The portion of Service between a Company designated Point-of-Presence in one exchange and a Company designated Point-of-Presence in another exchange.

LATA:

Local Access and Transport Area . A geographic area established for the provision and administration of communications service. A LATA encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

Local Exchange Carrier:

A company which furnishes local exchange telecommunications service.

Premises:

A building or buildings or contiguous property, not separated by a public highway or right-of-way.

Service(s):

The interexchange telecommunications Services that Company offers pursuant to this Tariff.

TRA:

Tennessee Regulatory Authority.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF COMPANY

- 2.1.1. Company undertakes to provide Services subject to the terms and conditions of this Tariff.
- 2.1.2. Company's Services are furnished for telecommunications originating and terminating in any area within the State of Tennessee.
- 2.1.3. Company offers Services to Customers for the transmission and reception of voice, data, and other types of communications.
- 2.1.4. Company does not transmit messages pursuant to this Tariff, but its Services may be used for that purpose.
- 2.1.5. Company's Services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.6. Company may, at Company's sole discretion, elect to employ third parties to perform any of its obligations under this Tariff.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.2. CUSTOMER'S USE OF SERVICE**

- 2.2.1. Service may be used for any lawful purpose consistent with this Tariff and with the transmission and switching parameters of the telecommunications facilities utilized in the provision of Services.
- 2.2.2. Equipment Company provides or installs at the Customer's premises for use in connection with the Services Company offers may not be used for any other purpose other than for which Company provided it. Customer may not, and may not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the Services or equipment installed by Company or Company's agent, except upon the consent of Company.
- 2.2.3. The Services Company offers may not be used for any unlawful purpose or for any use as to which the Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by Customer with respect thereto.
- 2.2.4. Resellers and rebillers of Company's service must be certified as Interexchange Carriers.
- 2.2.5. Service may not be used in any manner, which interferes with other persons in the use of their Service, prevents other persons from using their Service, otherwise impairs the quality of Service to other Customers, or impairs the privacy of any communications over any Service provided by Company. Company may require a Customer to shut down its transmission of signals if said transmission is causing interference to others.
- 2.2.6. Service may not be used in any manner so as to annoy, abuse, threaten, or harass other persons.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.2. CUSTOMER'S USE OF SERVICE, Continued

- 2.2.7. The use of Company's Services either without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.8. The Customer obtains no property right or interest in the use of any specific type of facility, Service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with Company.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.3. APPLICATION FOR SERVICE

- 2.3.1.** A Customer desiring to obtain Service must complete the appropriate service order form and submit the service order in compliance with Company subscription requirements as may be established from time to time.
- 2.3.2.** The name(s) of the Customer(s) desiring to use the Service must be set forth in the application for Service
- 2.3.3.** Company reserves the right to refuse an application for Service made by a present or former Customer who is indebted to Company for Service previously rendered pursuant to this Tariff until the indebtedness is satisfied. Company may also refuse an application when, in Company's sole discretion, provision of Service is precluded under Section 2.6.1. below.
- 2.3.4.** Request for Service under this Tariff will authorize Company to conduct a credit search on the Customer. Company reserves the right to refuse Service on the basis of credit history and to refuse further Service due to late payment or nonpayment by the Customer.
- 2.3.5.** Where the Customer cancels an application for Service, a cancellation charge will apply as specified in the Cancellation or Modification of Service by Customer Section of this Tariff.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.4. DEPOSITS/PRE-PAYMENTS**

- 2.4.1. To safeguard its interests, Carrier may require an applicant or Customer to make a deposit to be held as a guarantee for the payment of charges or a pre-payment.
- 2.4.2. Company may require a deposit from an existing business Customer as a condition to the further provision of Service if, according to Company's assessment, the Customer has become a credit risk.
- 2.4.3. The deposit or pre-payment will not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.4. The fact that a deposit has been made shall in no way relieve the applicant or Customer from complying with the Tariff regulations for the prompt payment of bills on presentation.
- 2.4.5. Each applicant or Customer from whom a deposit is collected will be given a receipt in accordance with the rules and regulations of the TRA pertaining to customer deposits.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.4. DEPOSITS/PRE-PAYMENTS, Continued

- 2.4.6. Simple interest will be credited or paid to the Customer at the rate of one percent (1%) per annum while Carrier holds the cash deposit. Interest shall be paid annually to the Customer or, at the option of the Customer, shall be applied to the Customer's bill.
- 2.4.7. A deposit may be required in addition to a pre-payment. The sum of any deposit and any pre-payment shall not exceed an amount equal to two and one-half months' estimated charges for such service(s).
- 2.4.8. When a service or facility is discontinued, the amount of a deposit, if any, relating to such service or facility will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, Carrier will return the deposit or credit it to the Customer's account.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.5. CREDIT**

- 2.5.1. Company, in order to ensure payment of its charges for Service or for loss of or damage to Company property, will require Applicants and Customers to establish and maintain credit. The establishment or re-establishment of credit as provided in this Section does not relieve an applicant or Customer from compliance with other provisions of this Tariff as to the payment of bills and in no way modifies the Sections regarding disconnection and termination of Service for failure to pay bills due for Service furnished.
- 2.5.2. Company may require any applicant or Customer to establish and maintain credit in one of the following ways:
- A. Demonstrating credit satisfactory to Company by providing information pertinent to the applicant's or Customer's credit standing;
 - B. Providing a suitable guarantee in writing, in a form presubscribed by Company;
or
 - C. Paying a cash deposit pursuant to Section 2.4.

Company may determine, in its sole discretion, whether or not a particular reference or guarantee in writing would be acceptable as a substitute for demonstrating satisfactory credit.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.6. PROVISION AND MAINTENANCE OF SERVICE**

- 2.6.1. Company will use reasonable efforts to make Service available to Customers on or before a particular date, subject to the provisions and compliance by the Customer within the provisions of this Tariff. The lack of facilities or other operational impediments, including regulatory approvals, may preclude or delay provision of Service (a) in a particular location or to a particular Customer and/or (b) at any promised performance level. Actual transmission speeds and service characteristics of a Service may vary from those expected by the Customer due to such factors as the length and gauge of the line and other operational characteristics of the equipment and facilities used.
- 2.6.2. Company will have control over the installation, rearrangement, repair, maintenance, and disconnection of all network elements owned or otherwise obtained to ensure the required level of Service. Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but will not thereby alter the technical parameters of the Service provided to the Customer.
- 2.6.3. Company will use reasonable efforts to maintain the Service that it furnishes to the Customer. Company may make such tests, adjustments and inspections as may be necessary to maintain Company's Services and equipment in satisfactory operating condition. When possible, Company may, in its sole discretion, provide the Customer with reasonable notice of Service-affecting activities that may occur in the normal operation of Company business.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.7. MINIMUM SERVICE PERIOD**

- 2.7.1 The minimum Service period is one month (30 days). The Customer must pay the regular tariffed rate for Service for the minimum period of Service. If a Customer disconnects Service before the end of the minimum Service period, that Customer must pay the regular rates for the remainder of the minimum Service period. When the Service is moved within the same building, to another building on the same Premises, or to a different Premises entirely, the period of Service at each location is accumulated to calculate if the Customer has met the minimum Service period obligation.
- 2.7.2. If Service is terminated before the end of the minimum period of Service as a result of condemnation of property, damage to property requiring the Premises to be abandoned, or by the death of the Customer, the Customer is not obligated to pay for Service for the remainder of the minimum period.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.8. CUSTOMER RESPONSIBILITIES**

- 2.8.1. The Customer is responsible for the payment of all charges for Service furnished to the Customer.
- 2.8.2. The Customer is responsible for compliance with applicable regulations set forth in this Tariff.
- 2.8.3. The Customer must make arrangements or obtain permission for safe, reasonable and continuous access and right-of-way for Company employees or agents of Company to enter the Premises of the Customer or any Authorized User of the Customer at any reasonable hour for the purpose of performing Company's obligations under this Tariff.
- 2.8.4. The Customer is responsible for the payment of (a) Service charges as set forth herein and (b) charges for visits by Company's agents or employees to the Premises of the Customer or Authorized User when the Service difficulty or trouble report results from the use of Services and equipment by the Customer or Authorized User.
- 2.8.5. Customer will, at Customer's expense, provide reasonable space, power, and level of heating and air conditioning, and otherwise maintain the proper environment to operate Company's Service at Customer's or Authorized User's premises.
- 2.8.6. The Customer may not, without prior written consent of Company, which consent shall not be unreasonably withheld, assign, transfer, or in any other manner dispose of, any of its rights, privileges, or obligations under this Tariff, and any attempt to make such an assignment, transfer, disposition without consent will be null and void.
- 2.8.7. A Customer or Authorized User may not represent in any way that the relationship between Customer or Authorized User and Company is anything other than one of customer and supplier, respectively. Nothing in this Tariff gives Customer or Authorized Users any authority to bind or otherwise incur liability on behalf of Company. Nothing in this Tariff constitutes an endorsement by Company of any activity, service or product of Customer or Authorized Users.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.8 CUSTOMER RESPONSIBILITIES

- 2.8.8. The Customer is responsible for any damages, including usage charges that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's Premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over Company's network without the authorization of the Customer.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.9. PAYMENTS AND BILLING**

- 2.9.1. Service is provided and recurring Service charges billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer.
- 2.9.2. Billing is payable upon receipt and past due thirty (30) days after issuance and posting of invoice. Invoices of \$20.00 or more that are not paid within thirty-one (31) days after the date of posting are subject to a 1.5 percent per month or the highest interest rate allowed by law late payment charge for the unpaid balance.
- 2.9.3. A Customer will not be liable for any late payment charge applicable to a disputed portion of that Customer's bill, so long as the Customer pays the undisputed portion of the bill and enters into bona fide negotiations to resolve the dispute on a timely basis, pursuant to Section 2.9.8. Provided if disputed bill is correct, late payment charges should apply retroactive to the original due date.
- 2.9.4. Checks presented in payment for Services and subsequently returned to Company by the Customer's financial institution for "Non-Sufficient Funds" or other reasons will incur a nonrecurring charge.
- 2.9.5 Billing disputes should be addressed to Company's Billing organization at the following address: 37 College Drive, Sylva, NC 28779.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.9. PAYMENTS AND BILLING, Continued**

- 2.9.6. In case of a billing dispute between Customer and Company as to the correct amount of a bill, which cannot be adjusted with mutual satisfaction, Customer may enter the following arrangement:
- A. First, Customer requests, and Company will comply with the request, an investigation and review of the disputed amount.
 - B. The Customer pays the undisputed portion of the bill by the Due By Date shown on the bill or the Service will be subject to disconnection if Company has notified Customer by written notice of such delinquency and impending termination.
 - C. If there is still disagreement after the investigation and review by a manager of Company, Customer may appeal to TRA for its investigation and decision.
 - D. Company will not disconnect Customer's Service for nonpayment as long as Customer complies with this arrangement.
 - E. Company will respond to the TRA's requests for information within ten (10) business days.
 - F. The TRA will review the claim regarding the disputed amount, communicate the results of its review to Customer and Company, and require disbursement according to those results.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.9. PAYMENTS AND BILLING, Continued

2.9.7 Disputed Bills, continued

- G. After the investigation and review are completed by the TRA, in order to avoid disconnection of Service, such amount must be paid within seven (7) calendar days after the date Company notifies Customer that the investigation and review are completed and that such payment must be made or Service will be interrupted. However, the Service will not be disconnected prior to the Due By Date shown on the bill. In no event will service be discontinued on the day preceding any day on which Carrier is not prepared to accept payment of the amount due and to reconnect service, and service will not be disconnected for non-payment of any disputed amount during the TRA's review of the dispute.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.10. TAXES**

Customer must pay, without limitation, all sales, use, gross receipts, excise, access, bypass, and other local, state and federal taxes, charges, fees, and surcharges, however designated, imposed on or based upon the provision, sale or use of the Services (excluding taxes on Company's net income). Such taxes may be separately stated on the applicable invoice.

2.11. ALLOWANCES FOR INTERRUPTION OF SERVICE

- 2.11.1. For the purpose of applying this provision, the word "interruption" means the inability to access Service due to equipment malfunction or human errors. "Interruption" does not include, and no allowance will be given for, Service difficulties such as slow access, circuits busy or other network and/or switching capacity shortages.
- 2.11.2. Credit allowances will be given in accordance to this Section 2.11. for interruptions of Service which are not due to an event of Force Majure, Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer or another Carrier, and are subject to the general limitation of liability provisions set forth in Section 2.15. herein. Customer must notify Company of any interruptions of Service. Before giving such notice, the Customer must ascertain that the trouble is not caused by any action or omission of the Customer, and not otherwise within the Customer's control.
- 2.11.3. For purposes of computing a credit under Section 2.11. every month is considered to have 720 hours. No credit will be allowed for an interruption of a continuous duration of less than two hours. Company will credit the Customer for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the Service affected for each hour or major fraction thereof that the interruption continues beyond two hours after the Company's receipt of notice of the interruption from the Customer.

Credit formula: $\text{Credit} = (A/720) \times B$

A - outage time in hours

B - total monthly charge for affected Service

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.12. CANCELLATION OR MODIFICATION OF SERVICE BY CUSTOMER

- 2.12.1. Customers may cancel Service by providing written notice to Company at least thirty (30) days prior to cancellation. The notice must specify the date on which Service is to be discontinued.
- 2.12.2. The Customer remains responsible for all Service charges until the day and time on which Service is actually disconnected.
- 2.12.3. If Customer cancels Service before Company completes installation of the Service an early termination charge will apply.
- 2.12.4. In the case of a Customer-initiated modification of Service, charges for the subsequent order are in addition to the costs incurred and any other applicable charges before the Customer changed the original order.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY

2.13.1. Company may immediately discontinue furnishing the Service to a Customer without incurring liability:

- A. If there is a condition determined in Company's sole discretion to be hazardous to the Customer, to other Customers of Company, to Company's equipment, to the public or to employees or agents of Company; or
- B. If Company deems refusal or disconnection necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or Services; or
- C. For non-compliance with and/or violation of any State or municipal law, ordinance or regulation pertaining to Service; or
- D. For use of Company's Services for any purpose other than that described in the application; or
- E. In the event of Customer use of equipment in such a manner as to adversely affect Company's equipment or the Service to others; or
- F. In the event of tampering with the equipment furnished and owned by Company; or
- G. When necessary for Company to comply with any order or request of any governmental authority having jurisdiction; or
- H. In the event of unauthorized or fraudulent use of Service.

Issued: _____
Issued By: _____

Effective Date: _____

John A Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

- 2.13.2. Company may discontinue Service without liability upon ten (10) days written notice to the Customer via first-class mail prior to discontinuance of Service:
- A. For violation of this Tariff, except as provided in Section 2.14.1., including without limitation, non-payment of bills for Service, refusal to provide Company with either a deposit or advance payment, or failure to meet Company's credit requirements; or
 - B. For failure of the Customer to make proper application for Service including, without limitation, the provision of false information.
- 2.13.3. The discontinuance of Service(s) by Company pursuant to this section does not relieve the Customer of any obligations to pay Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein are not exclusive, and Company is at all times be entitled to all the rights available to it under law or equity.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.14. RESTORATION OF SERVICE**

- 2.14.1. The use and restoration of Service in emergencies may be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.
- 2.14.2. When a Customer's Service has been disconnected in accordance with this Tariff and the Service has been terminated through the completion of a Company service order, Service will be restored only upon the basis of application for new Service.
- 2.14.3. A Customer whose Service has been discontinued for failure to establish credit or for nonpayment of bills will be required to pay the unpaid balance due Company before Service is restored.
- 2.14.4. Whenever Service has been discontinued for fraudulent or other unlawful use, Company may, before restoring Service, require the Customer to make, at its own expense, all changes in facilities or equipment necessary to eliminate such fraudulent or otherwise unlawful uses and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.14.5. Any Customer whose Service has been disconnected may be required to pay Service reconnection charges equal to the initial Service Connection Charge before Service is restored.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY**

- 2.15.1. Company will not be liable to the Customer or any user of the Company's Services for, and the Customer and any Authorized User, jointly and severally, will indemnify, defend and hold harmless Company from any allegation, claim, loss, damage, liability, defect, cost or expense resulting from or involving:
- A. Libel, slander, or invasion of privacy from material, data, information or other content transmitted over Company's facilities; or
 - B. Patent or trademark infringement or other infringement of intellectual property rights including, but not limited to, copyrights, trademarks, and trade secrets, arising from (1) combining (or using in connection with) Company-provided Services and equipment with any facilities, services functions, or products provided by the Customer or Authorized User or (2) use of Services, functions, or products which Company furnished in a manner Company did not contemplate and over which Company exercises no control. In the event that any such infringing use is enjoined, the Customer or Authorized User at its expense, will obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish the claim in infringement, terminate the claimed infringing use, or modify such combination so as to avoid any such infringement; or
 - C. A breach in the privacy or security of communications transmitted over Company's facilities; or
 - D. Acts, mistakes, omission, interruptions delays, errors or defects in transmission over Company's facilities or equipment; or
 - E. Injuries to persons or property from voltages or currents transmitted over Company-provided facilities caused by Customer-provided equipment or Premises wire; or
 - F. The disconnection of Service for failure to pay the charges billed to Customer, including but not limited to, any direct, indirect, incidental, special consequential, exemplary or punitive damages, so long as such disconnection of Service complied with the applicable rules and regulations; or

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued

2.15. LIMITATION OF LIABILITY, Continued

2.15.1. Continued

- G. Violations of the obligations of the Customer under this Tariff; or
- H. Defacement of or damage to Customer Premises, facilities or equipment resulting from the furnishing of Service or equipment on such Premises or the installation, maintenance, repair or removal thereof, unless such defacement or damage is caused by willful misconduct of Company's agents or employees; or
- I. Any loss, destruction or damage to property of the Customer, the Customer's agent, distributors, or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of Company, Customer, Authorized User or their employees, agents, representatives or invitees; or
- J. Any delay or failure of performance or equipment due to a Force Majeure condition or any unlawful acts of Company's agents and employees if committed beyond the scope of their agency or employment.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued****2.15.1. Continued**

K. Any act, mistake, omission, fraudulent act of a third party, interruption, delay, error, or defect caused by or contributed to by:

1. Another company or Carrier, or its agents or employees, when the facilities or equipment of the other company of Carrier are used for or with the Service Company offers.
2. The Customer, or any third party acting as its agent, in connection with Company-provided or Customer-provided facilities or equipment, including, but not limited to, the Customer's failure to take all necessary steps to obtain, install and maintain all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer to Company's network; or
3. A third party.

L. Any unauthorized use of the Service provided to Customer.

2.15.2. The liability of Company for damages arising out of the furnishing of, or failing to furnish, its Services, including but not limited to mistakes, omission, disconnections, interruptions, delays, acts of a third party, errors, defects, or representations, whether caused by acts or omissions is limited to the extension of allowances for interruption as set forth in this Tariff. Such allowances for interruptions are the sole remedy of the Customer and the sole liability of Company. Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company Service, equipment or facilities, or the acts or omissions, acts of a third party, or the acts or omissions or negligence of Company, its employees or agents.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued**

- 2.15.3. The liability of Company's suppliers and vendors for damages arising out of the furnishing of, or failing to furnish, their services, including but not limited to mistakes, omissions, interruptions, delays, errors, defects, or representations, whether caused by acts or omissions of such suppliers and vendors shall be limited to the extension of allowances for interruptions as set forth in this Tariff. The extension of such allowances for interruptions will be the sole remedy of the Customer and the sole liability of Company's supplier and vendors. Company's suppliers and vendors will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer, as a result of any service, equipment or facilities, or the act of omissions, or negligence of Company's suppliers and vendors, its employees or agents.
- 2.15.4. The entire liability of Company for any claim, loss, damage or expense from any cause whatsoever will in no event exceed sums actually paid to Company by the Customer for the specific Services giving rise to the claim, and no action or proceeding against Company may be commenced more than one (1) year after the Service is rendered.
- 2.15.5. THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. COMPANY MAKES NO WARRANTY THAT SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE OR MEET ANY PARTICULAR PERFORMANCE LEVEL; NOR DOES COMPANY MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED THROUGH THE SERVICES OR THAT ANY DEFECT IN THE SERVICE WILL BE CORRECTED.
- 2.15.6. The liability of Company for errors in billing that result in overpayment by the Customer will be limited to a credit equal to the dollar amount erroneously billed or, in the even that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.15. LIMITATION OF LIABILITY, Continued**

- 2.15.8. Company makes no warranty or representation of any kind whatsoever with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies, and holds Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any entity or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition precedent to such installations.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.16. NOTICES**

Any notice Company may give to a Customer will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, registered or certified, postage prepaid, addressed to the Customer's billing address. Any notice the Customer may give Company will be deemed properly given when delivered, if delivered in person, or three (3) days after deposit with the U.S. Postal Service, postage prepaid, addressed to Company at the address provided in the most recently revised tariff pages.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.17. CUSTOMER PROVIDED EQUIPMENT AND INTERCONNECTION**

- 2.17.1. Customer-provided equipment on the Premises of Customer or Authorized User, the operating personnel there, and the electric power consumed by such equipment must be provided by and maintained at the expense of the Customer or Authorized User. Conformance of Customer-provided equipment with Part 68 of the FCC Rules is the responsibility of Customer.
- 2.17.2. Customer or Authorized User must ensure that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring must be such as not to cause damage to Company-provided equipment and wiring or injury to Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury may be provided by Company at Customer's expense.
- 2.17.3. Company will not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where Customer-provided equipment is connected to the facilities and equipment furnished under this Tariff, the responsibility of Company will be limited to the furnishing of Service, facilities and equipment offered pursuant to this Tariff. Beyond this responsibility, Company will not be responsible for:
- A. the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling when performed by Customer-provided network control signaling equipment.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.17. CUSTOMER PROVIDED EQUIPMENT AND INTERCONNECTION,
Continued**

- 2.17.4. The Customer must secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with Company. In addition, the Customer must ensure that its equipment and/or system or that of its Authorized User or agent(s) is properly interfaced with Company's Service and the signals emitted into Company's network are of the proper mode, bandwidth, power, data speed and signal level for the intended use of the Customer. If the Customer or its Authorized User or agent(s) fails to properly maintain and operate its equipment and/or system, Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.17.5. Interconnection between the facilities or services of other carriers is governed by the applicable terms and conditions of the other carriers' tariffs.
- 2.17.6. Service furnished by Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers must be provided at the Customer's expense.

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 2 - RULES AND REGULATIONS, Continued**2.19. PROMOTIONAL OFFERINGS**

Company may make promotional offerings of its Tariffed services which may include reducing or waiving applicable charges for the promoted Service. No individual promotional offering will exceed six (6) months in duration, and any promotional offering will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. At the Company's option, a letter outlining the promotion may be filed with the TRA in lieu of filing Tariff language.

2.20 INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. Specialized rates, charges and services shall be available to similarly situated customers on a non-discriminatory basis. Unless otherwise specified, the terms, conditions, obligation and regulation set forth in this tariff shall be incorporated into, and become part of, said contract. All ICB arrangements will be filed with or made available to the TRA upon request.

In addition to any rate or charge established by the Company, the Customer will also be responsible for any recurring or non-recurring charges imposed by local exchange telephone companies incurred by or on behalf of the Customer in establishing and maintaining service. Such charges may be billed by the Company or directly by the local exchange company, at the Company's option.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE

3.1. APPLICATION OF RATES

3.1.1. The following sections set forth the rules and regulations governing the application of rates for Company Services, including the following general rate categories:

- A. Nonrecurring Charges for installation of facilities and Services;
- B. Monthly Rates for availability and use of facilities and Services; and
- C. Usage or Transaction Charges (where applicable).

3.1.2. Service Areas

- A. Unless otherwise specified in this Tariff, Company's interexchange Service area is statewide.
- B. Company's description of service area in no way compels Company to provide any Service in an area where facilities or other extenuating factors limit Company's ability to provide Service.

3.1.3. Services are offered by the Carrier via its own facilities and/or the facilities of other carriers. Services are offered as one-way or two-way communications services, as specified. Special construction charges may apply in each case. Services may not be available to all Customers. Such services may not be accompanied by 411, 911 or other voice services. In addition to the charges specified for each service, additional charges may apply for transfers of data per month or at certain times in excess of certain thresholds.

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE, continued**3.1. APPLICATION OF RATES, continued****3.1.4. Service Connection Charges**

- A. Service Connection Charges are nonrecurring charges for establishing or modifying Services. Service Connection Charges are incurred by Customer-initiated requests only.
- B. Unless specifically exempted in this or other Sections of this Tariff, Service Connection Charges apply to all Customer-initiated requests, and are in addition to all other scheduled rates and charges.
- C. The charges specified herein reflect Service provided during regularly scheduled work hours, at current installation intervals and without work interruptions by the Customer.
- D. Customer requests for expedited Services that require installations on a date that is less than the normal offered interval may result in an increase in applicable Service Connection Charges.
- E. Customer requests performed on an out-of-hours basis shall also incur an add-on to applicable Service Connection Charges (excluding the Service Ordering Charge), along with any additional costs that may be involved.
- F. Service Connection Charges for the initial establishment of Service are payable with the first bill rendered for Service

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE, continued

3.1. APPLICATION OF RATES, continued**3.2. General Description of Service**

- A. Service is offered to customers on a full-time, per month basis.
- B. All Dedicated Telecommunications Services shall remain in effect for a minimum period of thirty (30) days.
- C. Service furnished by the Company will be furnished at the rates contained in this Tariff. The Company offers its services subject to the availability of the necessary facilities and/or equipment.
- D. The Company reserves the right to refuse to provide service to or from any location where the necessary facilities and/or equipment are not available.

3.2.1. Long Haul Channel Dedicated Telecommunications Services

3.2.1. Long Haul Channel Dedicated Telecommunications Service is offered in the form of interexchange communications facilities which are dedicated to the use of a specific customer and are billed at the pre-determined fixed monthly rates. Service to be provided in the following standard digital transmission formats:

3.2.1.A. DS1 Service is a point to point dedicated circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial bipolar isochronous digital signals that meet the following requirements:

Transmission Speed:	1.544 Mbps
Line Code:	Bipolar Alternate Mark Inversion (AMI) or Bipolar 8 zero substitution (B8ZS)
Framing:	Super Frame (SF) or Extended Super Frame (ESF)
Line Impedance:	110 ohms balanced

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 3 - DESCRIPTION OF SERVICE, continued

3.1. APPLICATION OF RATES, continued

3.2.1.B. DS3 Service is a point to point dedicated circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial bipolar isochronous digital signals. Service is to be provided in the following format:

Transmission Speed:	44.736 Mbps
Line Code:	Bipolar three-zero substitution (B3ZS)
Line Impedance:	75 ohm coax

3.2.1.C. OC-3 Service is a point to point dedicated optical circuit between two points designated by the Customer that is used for simultaneous two-way transmission of serial synchronous digital signals. Service is to be provided in the following format:

Transmission Speed:	155.52 Mbps
Operating Wavelength:	Transmit 1272 nm to 1350 nm Receive 1260 nm to 1380 nm
Line Code:	Scrambled Non-Return to Zero (NRZ)
Standard Compliant:	TR-253

3.2.1.D. Service in digital transmission formats other than those listed above may be provided at the Company's option on an Individual Case Basis (ICB)

3.2.2. A customer must provide Company with 30 days written notice to disconnect a circuit. All charges for telecommunications service and service components ordered under this Tariff and provided by Company, or by Company as agent acting in the customer's behalf, will apply for 30 days from the time notice is received or until the requested disconnection date, whichever is later. The charges will apply whether or not the customer uses the circuit.

Issued. _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 4- RATES AND CHARGES**4.1. RATES**

- 4.1. The charge for basic Long Haul Channel Dedicated Telecommunications Service is a minimum rate per channel charge plus mileage. One-time installation charges will also be billed when a customer establishes service. Optional features and services encompass additional services or service options available to customers for additional charges.

4.1.2 DS1 Channel Rates and Charges

4.1.2.A	Recurring Monthly Charges (minimum per channel)	\$312.00
4.1.2.B	Mileage (less than 200 miles-per mile)	\$0.0612
	(more than 200 miles-per mile)	\$0.0575
4.1.2.C	Installation Charges	\$500.00

4.1.3. DS3 Channel Rates and Charges

4.1.3.A	Recurring Monthly Charges (minimum per channel)	\$1,680.00
4.1.3.B	Mileage (less than 200 miles-per mile)	\$0.0067
	(more than 200 miles-per mile)	\$0.0064
4.1.3.C	Installation Charges	\$500.00

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 4- RATES AND CHARGES, continued**4.1.APPLICATION OF RATES, continued****4.1.4. OC-3 Channel Rates and Charges**

4.1.4.A	Recurring Monthly Charges (minimum per channel)	\$3,720.00
4.1.4.B	Mileage (less than 200 miles-per mile)	\$0.0053
	(more than 200 miles-per mile)	\$0.0051
4.1.4.C	Installation Charges	\$1,553.00

4.1.5 Optional Features and Services**4.1.5.A Multiplexing Monthly Charges**

4.1.5.A.1	Per DS1	\$450.00
4.1.5.A.2	Per DS3	\$370.00

4.1.6	Returned Check Charge	\$25.00
-------	-----------------------	---------

Issued: _____

Effective Date: _____

Issued By: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

SECTION 4- RATES AND CHARGES, continued**4.1.APPLICATION OF RATES, continued****4.2 Regular Working Hours, Exceptional Working hours, and Holiday hours**

For purposes of exceptional working hours and holidays the rates and charges specified in this Tariff contemplate that all work in connection with furnishing (not repairing) or rearranging service will be performed during regular working hours. Whenever a customer requests that such work be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have been incurred, the customer may be required to pay, in addition to the other rates and charges specified in this Tariff, the amount of additional cost incurred by the Company as a result of the customer's special requirements. A customer may also be required to pay the amount of additional cost incurred by the Company resulting from the customer's special requirements. The customer will be informed of such estimated cost prior to its occurrence by the Company.

Business Hours: 8:00 a.m. - 5:00 p.m. - Monday - Friday
Evening: 5:00 - 11:00 p.m. Sunday - Friday and all Holidays *
Night/Weekend: 11:00 p.m. - 8:00 Weeknights;
8:00 a.m. - 11:00 p.m. - Saturday;
8:00 a.m. - 5:00 p.m. - Sunday

The hours listed above do not have any application to the services contained in this Tariff other than to differentiate regular and exceptional work hours.

* Holidays include New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Veterans Day, Thanksgiving Day and the day after, Christmas Eve and Christmas Day.

The Company normally observes holidays falling on a Sunday on the following Monday and holidays falling on a Saturday on the preceding Friday.

Repair Service Charges (not including materials)

Business hours: \$150.00 per hour
Non-Business hours
and holidays: \$275.00 per hour

Issued: _____
Issued By: _____

Effective Date: _____

John A. Short
General Manager
BalsamWest Fiber NET, LLC
37 College Drive
Sylva, NC 28779

EXHIBIT F

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN**

Pursuant to T.C.A. § 65-5-212, as amended, BalsamWest FiberNET, LLC (“BalsamWest”) submits this Small and Minority-Owned Telecommunications Business Participation Plan (the “Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competitive facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee.

I. PURPOSE

The purpose of § 65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. BalsamWest is committed to the goals of § 65-5-212 and to taking steps to support the participation of small and minority-owned businesses in the Telecommunications industry. BalsamWest will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, BalsamWest will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to BalsamWest of such opportunities.

BalsamWest’s representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Furthermore, BalsamWest will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in § 65-5-212:

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars.

Small Business. Small Business shall mean a business with annual gross receipt of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

BalsamWest's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting BalsamWest's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Sherry McCuller
Chief Financial Officer
BalsamWest FiberNET, LLC
37 College Drive
Sylva, NC 28779

The Administrator's responsibilities will include: .

- (1) Maintaining an updated Plan in full compliance with § 65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.

(4) Serving as the primary liaison to and cooperating with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in § 65-5-212.

(5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.

(6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.

(7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.

(8) Providing information and educational activities to persons within

Balsam West and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce

The Tennessee Department of Economic and Community Development

The United States Department of Commerce

Small Business Administration

Office of Minority Business

The National Minority Supplier Development Counsel

The National Association of Women Business Owners

The National Association of Minority Contractors

Historically Black Colleges, Universities, and Minority Institutions

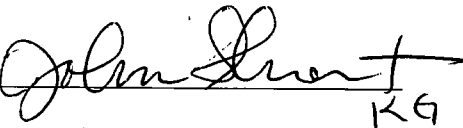
The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

BalsamWest will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, BalsamWest will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

BalsamWest will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Furthermore, BalsamWest will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

BalsamWest FiberNET, LLC

By: 
 KG

John A. Short

Chief Operating Officer

Dated: November 19, 2004

EXHIBIT G

PRE-FILED TESTIMONY OF JOHN A. SHORT

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee**

November 19, 2004

<i>In re Application of</i>)	
)	
BALSAMWEST FIBERNET, LLC)	Docket No. _____
)	
<i>For a Certificate of Public Convenience and</i>)	
<i>Necessity as a Competing Telecommunications</i>)	
<i>Service Provider to Provide Competitive</i>)	
<i>Facilities-Based and Resold Local Exchange</i>)	
<i>and Interexchange Telecommunications</i>)	
<i>Services Throughout the State of Tennessee</i>)	

PRE-FILED TESTIMONY OF JOHN A. SHORT

I, John A. Short, do hereby testify as follows in support of the application of BalsamWest FiberNET, LLC (“BalsamWest”) for a Certificate of Public Convenience and Necessity to provide competitive facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee:

Q: Please state your full name, business address, and title.

A: My name is John A. Short and my business address is 37 College Drive, Sylva, North Carolina 28779. I am General Manager and Chief Operating Officer for BalsamWest.

Q: Please state your qualifications.

A I have approximately ten years’ experience in the telecommunications industry. During my time at BalsamWest, I have overseen and managed all aspects of corporate operations and network planning, including an expansion of the company’s fiber optic network by 45%. Prior to joining BalsamWest FiberNET in 2003, I worked for Progress Telecommunications

Corporation, where I opened and managed a sales office, and was responsible for selling Progress' first dedicated wireless backhaul transport ring and pre-provisioned bandwidth product. I also developed an Enterprise Sales Strategy Plan and Group in an effort to expand revenue growth. I have also served as a Senior Telecom Analyst for Florida Power Corp, an Engineer for Sprint Cellular, and an Account Executive for BellSouth Mobility Corp. and AT&T. Before entering the private sector, I served as the Airborne Communications Platoon Leader/Company Executive Officer at Fort Bragg, North Carolina. I hold a Bachelor of Science degree from Florida Southern College.

Q: Are all statements in BalsamWest's application for a Certificate of Public Convenience and Necessity filed before the Tennessee Regulatory Authority true and correct to the best of your knowledge, information and belief?

A: Yes.

Q: Please describe the current corporate structure of BalsamWest.

A: BalsamWest's two members are the Eastern Band of Cherokee Indians and Drake Enterprises, LTD., each having a 50% interest. There are no affiliated companies offering telecommunications services, however Drake Software, Inc. is the parent company of Dnet Services, Inc., an internet service provider.

Q: Does BalsamWest possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes.

Q: Please describe BalsamWest's financial qualifications.

A: Specifically, as demonstrated in Cash Flow Statements, Balance Sheet and Income Statement projections, as well as the financial narrative of BalsamWest, appended to the

application as part of Exhibit D, filed under seal, BalsamWest has access to ample capital to fund the construction and operation of BalsamWest's telecommunications network in Tennessee, and to meet any lease and ownership obligations associated with its provision of local exchange telecommunications services in Tennessee.

Q: Please describe BalsamWest's managerial and technical qualifications.

A: BalsamWest has adequate internal managerial resources to support its Tennessee operations. This expertise in the telecommunications industry makes BalsamWest's management team well qualified to construct, operate and manage its local exchange network in Tennessee. Specific details of the business and technical experience of BalsamWest's officers and management personnel are appended to the application as Exhibit C. BalsamWest is technically qualified to provide its proposed services in Tennessee. As is evident from the information contained in Exhibit C, appended to the application, BalsamWest is managed by persons with substantial technical expertise in designing, constructing and operating telecommunications networks. This wealth of experience will enable BalsamWest to provide its local exchange customers with advanced, state-of-the-art technology, for its telecommunications services.

Q: What services will BalsamWest offer?

A: BalsamWest seeks the authority from the TRA to provide full scale telecommunications and data services. BalsamWest intends initially to operate as competitive local exchange service provider on a facilities-based and resale basis providing data-only transport and carrier's carrier services. However, BalsamWest seeks authority to provide all forms of switched and dedicated telecommunications services, including but not limited to the following local services: "Plain Old Telephone Service"—originating and terminating local calls; Access Service—originating and

terminating traffic between a customer premise and an IXC POP; Private Line; Carrier's Carrier; Data transmission service; and Internet services.

Q: Will the granting of a certificate of convenience and necessity to BalsamWest serve the public interest and need?

A: Yes. Approval of this Application and BalsamWest's proposed tariff will serve the public interest and result in direct benefits to local service customers in Tennessee. First, BalsamWest's provision of the services described above will expand the availability of high quality affordable telecommunications services to Tennessee consumers. Furthermore, the Company's proposed operations will increase the demand for and usage of the existing state-of-the-art networks of its underlying carriers as well its own facilities, thereby promoting continued development of advanced telecommunications infrastructure to serve the needs of Tennessee consumers. As discussed above, BalsamWest's entry into the facilities-based local exchange services market will focus upon Tennessee enterprise customers and carriers who need transport services.

Q: Has BalsamWest filed its small and minority-owned business participation plan?

A: Yes.

Q: Has BalsamWest filed a toll dialing parity plan?

A: Because BalsamWest does not plan on offering voice-grade services, a toll dialing parity plan is not applicable.

Q: Will BalsamWest offer telecommunications services in areas served by rural telcos or telephone cooperatives?

A: With respect to the geographic coverage area for its intended services, BalsamWest requests authority to operate as a competitive local exchange carrier in all areas within the State of

Tennessee. BalsamWest anticipates serving primarily large enterprise customers in Polk County at this time.

Q: Is BalsamWest authorized to provide telecommunications services in any other states?

A: Yes. As of the date of filing of this Application, BalsamWest is authorized to provide interexchange services within the State of North Carolina. Applicant has an application pending to provide local exchange services in North Carolina. In addition, Applicant has applications pending to provide local exchange and interexchange services in Georgia.

Q: Who is knowledgeable about BalsamWest's operations and will serve as BalsamWest's regulatory and customer service contact?

A: The person responsible for working with the Tennessee Regulatory Authority for resolving customer complaints will be: Sherry McCuller, Chief Financial Officer, BALSAMWEST FIBERNET, LLC, 37 College Rd., Sylva, NC 28779, Telephone: (828) 586-6141, Facsimile: (828) 586-3129.

Q: Has BalsamWest been involved in any pertinent mergers or acquisitions?

A: No.

Q: Will BalsamWest comply with all applicable statutes, rules and orders pertaining to the provision of telecommunications services in Tennessee?

A: Yes.

Q: Does this conclude your testimony?

A: Yes.

EXHIBIT H

SURETY BOND

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 1161599

WHEREAS, BalsamWest FiberNet, LLC (the "Principal"), has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

WHEREAS, Old Republic Surety Company (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 4th day of October 2004, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

BalsamWest FiberNet, LLC
Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL

Sherry C. McCullen
Name: Sherry C. McCullen
Title: CFO

SURETY

Old Republic Surety Company
Name of Surety
P.O. Box 569480
Dallas, TX 75356-9480

Address of Surety

SIGNATURE OF SURETY AGENT

Cheryl C. Blalock
Name: Cheryl C. Blalock
Title: Attorney-in-Fact

Address of Surety Agent:

Acordia
P.O. Box 411
Burlington, NC 27216-0411

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE
COUNTY OF _____

Before me, a Notary Public of the State and County aforesaid, personally appeared _____
with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing
bond on behalf of _____, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this _____ day of _____, 20____.

My Commission Expires:

_____, 20____

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF ~~TENNESSEE~~ North Carolina
COUNTY OF _____ Caswell _____

Before me, a Notary Public of the State and County aforesaid, personally appeared Cheryl C. Blalock
_____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the
foregoing bond on behalf of BalsamWest FiberNet, LLC, the within named Surety, a corporation licensed to do business in the
State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state
pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so,
executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 4th day of October, 2004.

My Commission Expires:

12/18/2005, 2000

Shirley L. Vernon
Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the
sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory
Authority, State of Tennessee, this _____ day of _____, 20____.

Name:
Title:



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint VERNON M. PLETTNER, JAMES M. ANDERSON, CHERYL C. BLALOCK, PAMELA C. ALLRED, RITA J. DEMPSEY, OF BURLINGTON, NC

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required) bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self insurance workers compensation bonds guaranteeing payment of benefits, asbestos abatement contract bonds, waste management bonds, hazardous waste remediation bonds or black lung bonds) as follows:

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED AN AGGREGATE OF ONE HUNDRED THOUSAND DOLLARS (\$100,000) FOR ANY SINGLE OBLIGATION, REGARDLESS OF THE NUMBER OF INSTRUMENTS ISSUED FOR THE OBLIGATION

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact pursuant to these presents, are ratified and confirmed. This document is not valid unless printed on colored background and is multi-colored. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that the president, any vice-president or assistant vice president in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company, to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds, and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary, or
- (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent, or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 7TH day of OCTOBER, 2003.

David G. Menzel

Assistant Secretary



James E. Lee

President

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS

On this 7TH day of OCTOBER, 2003, personally came before me, JAMES E. LEE

and DAVID G. MENZEL to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say, that they are said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



Sharon A. Piel

Notary Public

02/13/2005

My commission expires

CERTIFICATE

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked, and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.



Signed and sealed at the City of Brookfield, WI this 4th day of October, 2004

ACORDIA OF NORTH CAROLINA, INC

Gwendolyn J. Stetter

Assistant Secretary

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON COLORED BACKGROUND AND IS MULTI-COLORED

EXHIBIT I

CERTIFICATE OF SERVICE

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 1) **ARDMORE TELEPHONE COMPANY, INC.**
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
(205) 423-2131
(205) 423-2208 (Fax)
- 2) **BELLSOUTH**
333 Commerce Street
Nashville, TN 37201-3300
(615) 214-3800
(615) 214-8820 (Fax)
- 3) **CENTURY TELEPHONE OF ADAMSVILLE**
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310
(901) 632-3311
(901) 632-0232 (Fax)
- 4) **CENTURY TELEPHONE OF CLAIBORNE**
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
(423) 626-4242
(423) 626-5224 (Fax)
- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.**
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
(423) 238-4102
(423) 238-5699 (Fax)
- 6) **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- | | |
|-----|--|
| 7) | <u>CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE</u>
P.O. Box 770
300 Bland Street
Bluefield, WV 24701 |
| 8) | <u>LORETTO TELEPHONE COMPANY, INC.</u>
P.O. Box 130
Loretto, TN 38469
(931) 853-4351
(931) 853-4329 (Fax) |
| 9) | <u>MILLINGTON TELEPHONE COMPANY, INC.</u>
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
(901) 872-3311
(901) 873-0022 (Fax) |
| 10) | <u>SPRINT-UNITED</u>
112 Sixth Street
Bristol, TN 37620
(423) 968-8161
(423) 968-3148 (Fax) |
| 11) | <u>TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.</u>
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
(423) 966-5828
(423) 966-9000 (Fax) |
| 12) | <u>TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY</u>
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
(931) 535-2200
(931) 535-3309 (Fax) |
| 13) | <u>TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.</u>
P.O. Box 9 |

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

102 Spence Street
Tellico Plains, TN 37385-0009
(423) 671-4600
(423) 253-7080 (Fax)

14) TDS TELECOM-TENNESSEE TELEPHONE COMPANY

P.O. Box 18139
Knoxville, TN 37928-2139
(423) 922-3535
(423) 922-9515 (Fax)

15) TEC-CROCKETT TELEPHONE COMPANY, INC.

P O. Box 7
Friendship, TN 38034
(901) 677-8181

16) TEC-PEOPLE'S TELEPHONE COMPANY, INC.

P.O. Box 310
Erin, TN 37061
(931) 289-4221
(931) 289-4220 (Fax)

17) TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.

P.O. Box 10
244 E. Main Street
Bradford, TN 38316
(901) 742-2211
(901) 742-2212 (Fax)

18) UNITED TELEPHONE COMPANY

P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034
(931) 364-2289
(931) 364-7202 (Fax)